

MANUSCRIPT HISTORY OF THE
AMOSKEAG MANUFACTURING COMPANY and the
AMOSKEAG COMPANY

Manchester, N. H.

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Section 2	From F. C. Dumaine's election as treasurer to the organization of the voluntary trust. (1905 - 1911)	33 pages
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Section 6	Amoskeag Operating & Investment Companies January 1, 1927 to December 31, 1931	40 pages
Section 7	Amoskeag Company, 1937 - 1948	32 pages

Original manuscript in the Library of the Museum of History & Technology,
Smithsonian Institution, Washington, D. C. 20560. Received 24 April 1967
from the Amoskeag Company, Boston, Massachusetts.

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The Amoskeag Company

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The Amoskeag Manufacturing Company was organized in 1825. Two years later its three mills ^{in Goffstown} on the west bank of the Merrimack, near Amoskeag Falls, were busily and profitably operating on ACA tickings, already widely and favorably known. They included the so-called Old Mill that had been built in 1805 by Benjamin Prichard. It was located on a bluff below the saw mill of Jonas Harvey, who had said somewhat skeptically that "it looked rather dangerous at such a height above the boiling waters." Operated from 1810 to 1815 under war conditions by the Amoskeag Cotton & Wool Manufactory, the Prichard plant with 504 spindles and 10 looms was then idle for a number of years until 1822, when it was enlarged and equipped with new machinery by Olney Robinson, who also started but did not finish the construction of another factory, the famous Bell Mill, so-called because it had a tower with a bell that was rung every morning to call the operatives to work and again at night for nine o'clock curfew. Robinson didn't make a go of the venture, however, and the property was taken over by Samuel Slater of Pawtucket, Larned Pitcher, a close friend of Slater from Seekonk, Mass., and Ira Gay of Dunstable, N.H. It was Slater, the pioneer machinery and cotton manufacturer, who had originally staked Robinson, Pitcher and Gay, also manufacturers of cotton machinery, had foreclosed their mortgage of \$6,025.12 on half of the plant and Slater bought out Robinson's interest for \$3,000. He had originally loaned him between \$4,000 and \$5,000.

The property acquired by these three owners included the Old Mill and the unfinished Bell Mill. They decided to take in three more partners. One of them, Dr. Oliver Dean, ~~who~~ had abandoned a medical career for the textile business at the suggestion of his brother-in-law, Lyman Tiffany, agent of a cotton mill at Medway, Mass., whom he succeeded in 1819. Tiffany, a man of considerable means and a shrewd and expert financier, was the second new partner. The third was Willard Sayles, a very successful Boston merchant of aggressive personality and outstanding bargaining ability. According to some authorities it was due to

him more than anyone else that Amoskeag in the early years acquired large areas of land and important water powers along the Merrimack ~~River~~. He was senior partner of Amoskeag's first selling agents. Sayles & Merriman, appointed in 1838. Slater, Dean, Tiffany and Sayles each had one-fifth interest in the Amoskeag Manufacturing Company, which was organized December 17, 1825, and Pitcher and Gay shared equally the other fifth. The following year they completed the Bell Mill and in 1827 constructed the Island Mill, so-called because it was located on Fishing Island. The new mills were made larger than originally planned. They were three-story buildings. The Bell was increased to 140 x 65 feet and the Island to 130 x 70 feet. Both had been originally intended for the manufacture of machinery, but because the demand for tickings was ~~so~~ great the partners decided to use them for producing these fabrics and ^{to} erect a machine shop on the mainland.

Amoskeag was incorporated July¹, 1831 with an authorized capital of \$1,000,000, consisting of 1,000 ~~shares~~ of \$1,000 par value, a very large amount for those days. The charter was signed by Franklin Pierce, then speaker of the New Hampshire House of Representatives and later President of the United States. The incorporators were empowered to "establish, manage and carry on the manufacture of cotton and woolen, iron and other lawful manufactures on or near Amoskeag Falls in Goffstown and any and all such branches of manufacture and trade as is necessary, and also to construct such dams, canals, mills, buildings, machines and works they deem necessary." The six partners were the original stockholders. They had sold their properties to the corporation for \$100,000. Oliver Dean issued the warrant for the first meeting on July 13 in the old Bell Mill and served as moderator. Lyman Tiffany was elected president, an office he held until 1837. Dr. Dean became treasurer and continued as agent, as he had been during the partnership. Although he resigned as agent in 1834 and as treasurer in 1836, he remained a director until 1871, when he retired after 40 years of service with the corporation. Ira Gay, who was chosen clerk, resigned in 1833, but was one of the directors until 1835.

Willard Sayles was the third director and continued on the board until 1846.

Mr. Pitcher died in 1840.

Slater's association with the company was of short duration. His name didn't appear among the list of stockholders in 1835. Undoubtedly it was Slater's appreciation of the water power opportunities at Amoskeag Falls and his continued interest in the development of the cotton industry in this country that influenced him to visit in 1823 the mill that Robinson with his financial assistance had started to operate the previous year, although he was probably well pleased with the salmon caught at the foot of the falls that one of the partners in the enterprise had sent to him as an incentive to make the trip. He drove up from Pawtucket to Manchester in his top carriage, stopping on the way to call on Kirk Boott ~~at~~ Lowell. On his return he found Boott busily engineering the laying of the foundation for the first Merrimack Mill.

The role of Samuel Slater in the early history of Amoskeag was remembered in 1890, when the manufacturers in Pawtucket celebrated the centennial of his introduction of cotton manufacturing by power in this country. "Greetings" in remembrance of Slater as one of the original incorporators of the Amoskeag Manufacturing Company were sent by ^{Treasurer} T. Jefferson Coolidge to Henry Tiepke, chairman of the "cotton centenary", as contained in a resolution unanimously adopted at Amoskeag's sixtieth annual meeting on the motion of Judge Daniel Clark, president, and at that time the company's oldest director.

The number of Amoskeag stockholders, which totalled nineteen in 1835, was increased to seventy-two by 1836, five years after incorporation. The company's first dividend had been paid July 9, 1834. It was \$60 on the \$1,000 par value stock. Many names that were well known in the early history of the cotton industry in Waltham and Lowell were on the list of stockholders in 1836. Among them were George E. Howe, Samuel Frothingham, Richard H. Ayer, Francis Cabot Lowell, Abbott Lawrence, George W. Lyman, William Amory, ^{Philemon} F. T. Jackson, Samuel Hubbard, W. H. Gardner, Nathan and

William Appleton, Charles P. Curtis, George H. Kuhn^{and} Dudley L. Pickman, ~~and~~

~~Gardner Brewer.~~ 7 Mr. Lowell served as treasurer from 1836 to 1837 and then as president to 1842. During part of this period he was also agent. Mr. ~~Ho~~ Howe, who became a stockholder in 1835, was elected a director the following year and continued on the board until 1871, when he resigned after thirty-five years of service with the corporation. From 1841 to 1859, with George W. Lyman and William Amory, he was a member of the committee in charge of Amoskeag sales. Mr. Lyman also resigned in 1871 as did Dr. Dean, as previously noted. The former completed thirty-three years' service as director, having been first elected in 1838.

During the period from 1837 and 1838, when William Amory became treasurer and agent and Ezekiel A. Straw started with the company as a civil engineer in the land and water department, and including the twenty-two years that Mr. Straw was agent, until their retirement from these offices about forty years later, in 1876 and 1878, Amoskeag was developed into a continuously expanding and prosperous manufacturing organization.

William Amory, for six years previous to coming to Amoskeag had been treasurer of the Jackson Manufacturing Company of Nashua, N.H. He became a stockholder of Amoskeag in 1836, as previously noted. The officers of treasurer and agent to which he was elected on April 12 of the following year included the "power to buy cotton and other articles and to have an office in Boston." Mr. Amory's experience in cotton manufacturing and his progressive spirit resulted in considerable improvement in methods at Amoskeag in those early days. He was one of the prime movers for an extension of the company's operations to the east bank of the Merrimack. Mr. Amory continued as agent until 1841, when he was succeeded by David Gillis, E.A. Straw's predecessor. During the next eighteen years, he not only carried on his duties as treasurer, but also played an important part in the merchandising of Amoskeag's fabrics, while he served as member of a selling committee with George Howe and George W. Lyman. This arrangement lasted until 1859, when Gardner Brewer & Co. were appointed selling agents. Mr. Amory's constructive influence on the affairs of the corporation continued

not only throughout the thirty-nine years he served as treasurer, but also in the latter part of his life while he was president, from 1877 until his death at the age of eighty-four in 1888. He had been associated with the Amoskeag for fifty-two years.

Ezekiel A. Straw was the first member of the three generations of his family to become agent of the Amoskeag Manufacturing Company. He was popularly known as "E.A." or "Zeke", but in later life was usually referred to as Governor Straw, because he had been chief executive of the State of New Hampshire in 1872-1873. He started his career as an assistant civil engineer with the Nashua-Lowell Railway in Lowell, where his father was employed at the Appleton Manufacturing Company. In 1838, young Straw, then between eighteen and nineteen years of age, was invited to come to Manchester by Mr. Boyden, Amoskeag's consulting engineer whose invention of the turbine wheel considerably increased the water power at Manchester and Concord. Mr. Boyden was looking for a temporary substitute for engineer Thomas J. Carter, who had asked to be relieved of his duties because of ill health. "E.A." made good and stayed with the company, and during the following forty years continued to be a dominant factor in its development, expansion and management. He was made superintendent of the land and water development in 1851. Five years later he was chosen agent of manufacturing to succeed David Gillis, who resigned December 26, 1856, after holding that position since 1841, when he took charge of the new mills on the east bank of the river. In 1858, when the land and water department and machine shops of Amoskeag were united with the mills, Mr. Straw became agent in charge of all the company's operations in Manchester. He continued in that office for twenty-two years, until his retirement December 23, 1878, because of ill health, but remained as a director and clerk of the stockholders until the following year.. He was sixty-three, when he died in 1882.

Amoskeag's equipment in 1837 included about 8,000 cotton spindles in the three original mills. No definite statistics on machinery in the next eighteen years are available, but a report on company's *properties* in 1841 gave their total value in that year as \$662,077.80. This amount included \$70,000

for Amoskeag's mills and outfit, which it was stated would be substantially enhanced when planned improvements were made. There were also about 2,600 acres of land valued at \$100,000. An 1835 map showed 2352.69 acres owned at that time, including 713.29 on west side and 1639.4 on east side. The investment in factory canals was \$114,737.10. Amoskeag's machine shop was valued at \$48,556.58, at cost. Stock ownership in other companies included \$100,000 in Hooksett and \$90,000 in Concord, whose shares had been acquired in 1835 and 1836 in exchange for Amoskeag stock.

By 1855, the year before Mr. Straw became agent, Amoskeag had five mills on the east bank of the Merrimack with a total of 82,846 spindles and 2,145 looms. They were consuming about 19,000 bales of cotton and weaving about 22,500,000 yards of cloth annually. Twenty years later, in 1875, the year before Mr. Amory resigned as treasurer, there were nine mills with 125,000 spindles and 3,500 looms and 2700 workers employed. The mills were operated by water power, including fourteen water wheels with an aggregate of 3,500 horse power. ^{They mills} ~~Were~~ consuming about 23,000 bales of cotton and producing over 30,000,000 yards of cloth yearly. A little more than half of the production was colored goods, consisting of tickings, denims, fancy shirtings and gingham. The white goods included drillings, flannels, sheetings and bags. Amoskeag's authorized capital had been increased from \$1,000,000 in 1831 to \$4,000,000 in 1856, including \$600,000 in 1841, \$900,000 in 1846, \$300,000 in 1848 and \$1,000,000 in 1856. There was no other increase in the amount of authorized capital until 1907, although the par value was changed from \$1,000 to \$100 par value in 1905.

Plans for starting manufacturing operations on the east bank of the Merrimack were already underway in 1836. The company had been influenced to make the move because hydraulic power could be more conveniently utilized on that side of the river and the terrain was better adapted for the erection of mills. The acquirement of land and water powers had paved the way for the new development. The purchase of the Union Locks and Canal Co., the Isle of Hooksett Canal Co. and the Bow Canal Co. in 1835 gave the manufacturing company control of the Amoskeag Falls and other important water rights,

as well as canals, bridges and hundreds of acres of land. It was in the ~~sa~~^{7.} same year that the Hooksett Mill was merged with Amoskeag. The acquisition of the stock of the Concord Manufacturing Co. in 1836 had brought with it rights on Garvin's Falls, which meant that Amoskeag then had control of all the water power on the Merrimack from Sewall's Falls in Concord to as far as the southern limits of Manchester.

One of Mr. Straw's first duties was to assist in the *building* of a stone wing dam at Amoskeag Falls, upper canal. The continuous construction of dams and canals was an important part of the work of the land and water power department in those early years. However, Mr. Straw was soon also busy with the surveying and laying out of boundaries, streets and house lots for the company and the new town of Manchester on the east bank of the Merrimack. At that time there were less than 50 people living in the area which afterwards became a large and thriving city with 80,000 population. Land sales were already taking place and trees were being planted along the new streets, including the famous Elm Street, which now extends for nearly a mile through the center of the city, as arranged for in the plans drawn up by Mr. Straw and shown on *the* old map now in the office of the Amoskeag Industries, Inc.

The actual building of the mills on the east bank was started in 1838, but not for Amoskeag itself until two years later. The first construction was for the recently organized Stark Manufacturing Co., in which a number of Amoskeag stockholders owned shares. It was completed in 1839, and other mills were built later. Amoskeag stockholders also had a financial interest in the Manchester Mills, chartered in that same year with an authorized capital of \$1,000,000 and sold it a site for a mill, but none was constructed until six or seven years later. This was the company which pioneered ~~in~~ in both the manufacture and printing of delaines under the direction of E. A. Straw, who was sent to Europe by Amoskeag to investigate machines and methods for this work. The manufacture of delaine goods was transferred from the Hooksett Mills, *to* the Manchester Mills, for which Amoskeag con-

constructed in 1846 a spinning and weaving mill and a printing establishment. Together they had an annual production of 14 million yards of de-laines and prints. Amoskeag always had a financial interest in Manchester Mills, later Manchester Print Works, which finally was merged with the parent company in 1906, as will be noted later.

Mill No.1 was started for Amoskeag in 1840, and before the end of the next year the company had completed it, as well as Mill No.2, and adjoining picker houses. These two mills, ^{and} six-story structures, ~~each~~ 157 x 48 in dimensions, which face the present Canal Street, were the beginning of Amoskeag's tremendous operations which eventually comprised the well known compact group of many red brick manufacturing buildings that now extends almost continuously for nearly two miles along the east bank of the Merrimack River. The first machine shop was built in 1840. The agent was William A. Burke, who was succeeded in 1847 by Oliver W. Bayley. Orders came to the shop so rapidly that a foundry had to be built in 1842. This was considered an extravagance at the time, but in four years its capacity was insufficient to meet the demand.

The starting of the machinery in Mill No.1 was celebrated on the evening of November 17, 1841 at Shepherd's Tavern. Upwards of one hundred persons partook of a fine banquet, followed by songs and speeches. Mr. Burke, agent of the machine shop, presided. One of the toasts to the "Machinists and Manufacturers of Manchester" was responded to by Treasurer Amory, who said "distinguished for their intelligence, ability and skill, their success and the prosperity of Manchester, are cast in the same mold, forged in the same fire, and worked by the same gears, and must be run together at equal, and I hope, uninterrupted and full speed forever." A rhyme presented in another toast referring to the selling agents included the words "in the market we'll have a share, for with our Sayles none can compare." ~~and~~ "The Stark and Amoskeag New Mills, rivals but not enemies" and "The Amoskeag Old Mills, like a good watch, known for the uniformity of its ticking" were among other toasts.

In 1844 Amoskeag started its Mill No.3. It was constructed in two sections, but not completed until 1850, and then rebuilt twenty years later.

This mill in 1855 had 20,478 spindles and 545 looms, compared with 8,960 spindles and 234 looms and 8,832 spindles and 250 looms in Nos 1 and 2, respectively, at that time. It was in 1844-45 that Mr.Straw spent several months in England and Scotland investigating the machines and processes for printing mousselines-de-laine lightweight ladies' dress goods popularly known at that time as delaines. The Hooksett Mills, which Amoskeag acquired in 1835, as previously noted, had been weaving delaines for about ten years but was selling the fabrics to a firm in Taunton, Mass., which finished them on its own account. Amoskeag didn't have the necessary printing equipment. When Mr. Straw returned he superintended the erection of the first American mill with a complete layout for both the manufacturing and printing of delaines at the Manchester Mills in 1846. These mills continued the manufacture of delaines for a number of years.

The year 1848 was important in Amoskeag history for several reasons. Mill No.4 was completed then. Originally 260 feet long by 60 feet wide, and seven stories high, it was given an extension in 1872, 60 x 60 in dimensions. A new three-story 260 x 40 machine shop and a one story 120 x 80 foundry were built. The Old Mill and the Bell Mill on the original sites occupied by Amoskeag Manufacturing Company on the west bank of the river were completely destroyed by fire. The Island Mill had been burned eight years before. There were no further manufacturing operations on that side of the Merrimack during the next forty years, until 1889 when the large No.11 Mill was erected and later extended to its present length of 900 feet, although a new foundry had been built over there in 1883.

The Amoskeag's machine shops began to be famous for the building of locomotives in 1849. During the following ten years 232 of them were produced for leading railroads in the United States. The first locomotive ~~built~~ built was the Etna for the Northern Railroad, the second and third were called the General Stark and the Washington. Orders came so fast that in 1856 as many as 60 of these locomotives were built. Three years later

Amoskeag sold out its interest in this work to the Manchester Locomotive Works, in the organization of which Aretas Blood and Oliver W. Bayley, who had resigned as agent of Amoskeag Shops in 1855, were largely interested. Cyrus W. Baldwin was head of the shops until 1858, when Mr. Straw became agent of all Amoskeag properties.

From 1859 to 1877 Amoskeag manufactured 550 steam fire engines, which had a world-wide reputation. The City of Manchester in 1859 gave the first order for one of these engines, which was exhibited at the firemen's muster in that year. It was built and delivered in two months. This business was also eventually sold to the Manchester Locomotive Works. The Amoskeag fire engines were built according to a design developed by Nehemiah S. Bean, who had been a worker on locomotives, but had had previous fire engine experience in Lawrence, where the first one constructed in New England was made. He continued as superintendent as long as Amoskeag had an interest in this type of business. One of the 10,000-pound model steam engines was sent to Boston in 1872, the year of the great fire, and it is said that it was largely through its efforts that the fire did not cross Washington Street.

When Amoskeag sold out the fire engine business it retained the big Mississippi No. 2 and named it the "T. Jefferson Coolidge" after the company's new treasurer, elected in 1876. The engine was installed as a part of Amoskeag's private fire department in the northern end of the South Canal Building, but was always ready to respond when emergency taxed the facilities of the Manchester Fire Department. Of course when motorized equipment became available and it was difficult to secure horses its practical usefulness gradually came to an end. However, the "T. Jefferson Coolidge" was always kept in the best of condition. Its brass and nickel trimmings were polished regularly. The varnish on the brilliant red wheels striped with gold always glistened. Its all-round attractive and intriguing appearance was enhanced by a brass lantern with colored panes of glass and topped by a gold-leafed eagle ornament.

The last real service of the "Jefferson Coolidge" was rendered in the great flood of 1936 for pumping purposes. It had previously been used for

this work from time to time, particularly in October, 1921 when Amoskeag was constructing a hydraulic electric station near Amoskeag Bridge. At one time this 47-year old engine while engaged in this work pumped 60 consecutive hours at one stretch carrying 100 to 110 pounds of steam and forcing water through two long lines of hose each 1,000 feet long. When Amoskeag was liquidated the handsome lantern of the engine was presented to T. Jefferson Coolidge, Jr. To find a good home for this famous old piece of apparatus the engine itself was recently offered as a permanent exhibit to a museum in Rhode Island.

Illuminating gas was first installed at Amoskeag in 1851. It was in the same year that the company was awarded a medal at the first World's Fair in London for its exhibition of "an assortment of drillings, tickings, sheetings and cotton flannels." In 1853 Amoskeag built mills Nos. 7 and 8 and the original No. 9. ^{The latter} ~~It~~ was reconstructed in 1880 and had a top story added in 1903. An addition to Mill No. 5 was built in 1855. The building of No. 6 took place in 1859-60. It was erected in the space between Nos. 1 and 2 so that the three of them gave the appearance of one structure, as now seen from Canal Street.

In the four years preceding the Civil War, Amoskeag, as in earlier years, produced large quantities of machinery for other mills. Some interesting figures showing the extent of its activities in this field during 1856 and 1857 are included in the monthly trial balances of the machine shop. Machinery valuations as given for these two years ranged from \$150, 769 to \$318,075. Castings used averaged close to four tons a day. Daily wages in the two years were no lower than \$1.29 to \$1.30 and in some months as high as \$1.40 to \$1.43. The customers named on the books included, in addition to the Manchester and Stark, such other New Hampshire Mills as the Jackson, Milford, Nashua, Pittsfield, Cochecho and Pembroke. Among other manufacturing names listed were Lawrence, Lowell, Suffolk, Hamilton, Hamilton Woolen, Hartford Carpet and Quinebaug. It was interesting to note that some business was done with the Davis and Furber Machine Company of North Andover, Mass.

During the Civil War Amoskeag's machine shops concentrated on the manufacture of equipment for the Union Army. One of its other contributions to the war effort was a loan of \$348,000 to the government. What was probably the first flag raised at the Amoskeag plant was unfurled July, 4, 1861 by the workers in the machine shops in honor of the "boys in blue". Manchester Print Works had a government order to make four thousand dozen "national flags" in different sizes. The fact that Amoskeag had a machine shop that could easily be converted to the manufacture of war equipment proved to be an advantage to the company later, as compared with ~~many~~ ^{most} other mills. ~~Many~~ of them, largely because of their inability to obtain cotton, were obliged to shut down and discharge their help, so that when the war ended they had to start all over again with inexperienced help and few orders. Amoskeag was able to avoid the break, because the older men who didn't go to the front were taken into the machine shops to start the production of war equipment.

In the early part of the Civil War Amoskeag had about three hundred men employed in the manufacture of 45-calibre Springfield ^{rifled} muskets with ~~with~~ a daily output of 125 guns, which were inspected before delivery at the close of each day by the six government men stationed at the plant. Before the conflict was over 25,000 of these muskets had been made. The company also had a contract to manufacture 17,000 breach-loading ~~Carbines~~, but the war ended before the contract was finished and the undelivered guns were sold in Europe. The important role being played by Amoskeag in the production of firearms was indicated by an event that happened in 1863. Following the "draft riots" in New York in that year, there was a rumor that an attempt would be made to seize all the guns at the Amoskeag shops. No trouble was actually experienced, but as a precaution Agent Straw ordered that a brass field-piece be mounted at the gate just west of the lower canal in line with Stark Street, and a guard was stationed about the mill yard.

From 1863 to 1866 Amoskeag was making between five and six hundred sewing machines for McKay of Boston. That well known firm was also at

the time working on government contracts for building ironclads of the monitor type. As Amoskeag had the only shop equipped to turn out the big brass rings of the gun turrets for the monitors, it got the order to make them, including those of the famous "Monitor", which licked the Merrimac in the historic naval battle at Hampton Roads, a turning point in the war. The foundry at Manchester was fitted up with some of the largest furnaces in the country, one of them having a capacity of twelve tons. The giant lathe which Amoskeag used in those days was in recent years still standing in the old machine shop. It measured twenty-one feet in diameter and was said to be the largest in the country.

After the war Amoskeag concentrated on making machinery for its own use. In addition to spinning frames, whose manufacture was started in 1862, the equipment produced included from 1865 to 1867 railway heads, drawing frames, slubbers, intermediates, speeders and cards. By 1880 they were building spoolers and warpers, and in the next two years quillers and slashers. Looms were first produced in 1880. A four, five and six-box loom known as the Amoskeag segment was developed and several thousand were built under the direction of the inventor, James D. Butler. Some of them were still running in 1915. Amoskeag's machine shops built the newer type spinning frame in 1901.

Previous to 1865 Amoskeag's products had included chiefly ACA. tickings, drillings, sheetings and flannels. But in that year the manufacture of ginghams, which were of paramount importance in Amoskeag operations for more than fifty years, was started. This new development resulted from a second visit to England and Scotland by Agent E.A. Straw, who this time was accompanied by Treasurer William Amory and Gardner Brewer of the company's selling house. They made arrangements while abroad for a group of expert English gingham weavers from Enfield, Lancashire, to come to Amoskeag. In 1868 and 1870 skilled women weavers were brought over from Glasgow, Scotland. They were employed under special rules and regulations, including proper references as to character and church attendance. It is interesting that some of the letters received by Amoskeag were signed by D. & J. Anderson of Glasgow, whose

ginghams had a world-wide distribution for so many years.

Amoskeag's so-called "fancy" dyehouse was placed in charge of James Reid, a master dyer from Glasgow. The weaving of gingham was under the direction of Augustus Canis, who had come from Oelmetz, Germany in 1854. Both Reid and Canis continued in these positions for many years. Associated with ^{them} later ~~were~~ Andrew Mungall, the first to set up and operate chain dyeing equipment in this country, and J. Adam Graf, a German weaver, both of whom played important roles in the early production of gingham at Amoskeag. Beginning in the eighties, dyeing at Amoskeag continued in the hands of ^{the} Mungalls for a generation, including Andrew's two sons, Samuel and Thomas, both of whom assisted their father for many years. Sam, after seventeen years at Amoskeag, went to the Conestogo Mills in Lancaster, Pennsylvania. Meanwhile Tom was his father's assistant. When Sam came back in 1902 and continued in charge of ^{fancy} the/dyehouse until his death, Tom went to Pell City, Alabama. The latter's son, John became overseer of dyeing at Lindale, Georgia, for the Massachusetts Cotton Mills. Adam Graf was first in the weave room in Mill No. 3. He set up the looms when weaving was started in the new gingham mills, Nos. 7 and 8, and was in charge of changing over looms from time to time. When Mill No. 11 was built in 1889 ~~he~~ Graf was made overseer of the middle weaving room and continued in that position until his death. His entire service with Amoskeag covered a period of fifty years.

When Mill NO. 7 was erected by the Amoskeag in 1869 the weaving of gingham was started in the upper floor of the south wing. The first looms were imported from Scotland. Soon the Amoskeag was building Thomas looms in its own machine shop. Two hundred and four box looms and forty fancy looms were produced. Eventually all of Mill No. 7, except the basement, was filled with gingham looms. In 1874 another mill (No. 8) was built and equipped for the production of gingham as fast as the shops could turn out the new Butler segment looms, designed by James D. Butler, machinist and inventor. Over 800 of them were installed in this mill. From 1879 on, successively, Mills 7, 8, 9, 11, 12 and the Coolidge were all engaged almost exclusively in gingham

manufacture. At the height of its greatest prosperity Amoskeag had over 20,000 looms, fully two-thirds of the total, producing some type of gingham, plain or fancy, and of the \$13,000,000 to \$14,000,000 paid in wages by far the greater proportion went to employees engaged in gingham manufacture.

This summary of the history of Amoskeag during the period of William Amory's and Ezekiel Straw's association with the company from 1837 and 1838 to the time of their retirement from active service respectively as treasurer in 1876 and agent in 1878, should also include something on their other activities and the statements of appreciation of their services.

Like other Amoskeag officers and directors in the early years, Mr. Amory was more or less active in the affairs of the Manchester companies in which most of the important Amoskeag stockholders were also interested. From 1839 to 1876, except for a period of four and one-half years, he served as treasurer of the Stark Manufacturing Company, for which Amoskeag had built two mills on the east bank of the river. From 1839 to 1871 he was treasurer of the Manchester Mills and its successor the Manchester Print Works, whose plants were ultimately taken over in 1906 by Amoskeag and became its Southern Division. Mr. Amory was elected a director of Langdon Mills in 1860, when its No. 1 mill was built, and served as president from 1874 to 1876. The Amory Mill, built in 1880 on ~~the~~ site bought from the Amoskeag, was named in his honor and he was on the first board of directors. This mill together with the Langdon, which it then owned, was taken over by the Amoskeag the same year that the Manchester Mills were acquired.

Mr. Amory was a brilliant conversationalist, genial in disposition inclined to historical research, and after his retirement from the treasurership devoted a large part of his time to literary matters. In fact, he was regarded as an authority on literary as well as financial questions. As a personal friend of Daniel Webster, Mr. Amory was present when the cornerstone of Bunker Hill monument was laid in 1824.

The following tribute was paid to William Amory by T. Jefferson Coolidge, who succeeded him as treasurer, November

who succeeded him as treasurer, November 1, 1876:

"The best witness to his service as treasurer is the splendid condition of the company. He took it in its infancy when it was poor, only one mill with 8,000 spindles. He now leaves it after more than forty years of success with 137,000 spindles and more than two millions of quick capital. An average of eleven per cent dividends has been paid in the forty-two years since the initial distribution was made in 1834, and if to that is added the increase in quick capital the improvement is equal to fifteen per cent, without consideration of the money spent on the plant."

Agent E. A. Straw's other business interests in Manchester included the Amoskeag Duck & Bag Mill, afterwards known for a while as Namaske Mill. He was treasurer in 1856 and completely owned it in 1864, when he became president also. The mill was sold to Amoskeag in 1875. He was president of the Blodget Edge Tool Manufacturing Company (Amoskeag Ax Co) when it was organized in 1855 and continued in that office until 1862, serving as director after that. He was also for a while on the board of directors ~~of~~ the Langdon Mills.

Mr. Straw was continuously active in the development and improvement of Manchester. He represented that city in both branches of the legislature for several years before being elected Governor of New Hampshire in 1872. He was well known and highly regarded for his fine character and outstanding executive ability, not only in his own city but also throughout New England. Mr. Straw was president of the New England Cotton Manufacturers Association, the predecessor of the National Association of Cotton Manufacturers, from its organization. Dartmouth College awarded him an ~~honorary~~ M.A. degree in 1865. In 1870 Mr. Straw was appointed to the National Committee to make arrangements for the Centennial Exhibition in Philadelphia, and when it was held in 1876 was one of the members of the executive board.

William Amory in his last report to stockholders as treasurer, October 20, 1876, included among his tributes to colleagues of forty years the following appreciation of Ezekiel A. Straw, who retired as agent two years later:

"But, above all, to Governor Straw would I render the thanks that are

due, as to him we owe a large part of such measure of prosperity as we have enjoyed for the last quarter of a century. Preeminently fitted by nature and education to excel in the management of the affairs of a company of the magnitude and variety of this, by his exceptional faculty of organization, his rare aptitude, experience and proficiency in mathematics, mechanics and manufacturing, his keen insight into human nature and instinctive power over men, and then by his marvelous luck, that element in character so difficult to define, and so essential to success, - and such a subtle compound of merit, good fortune and faith, - so nicely and cunningly blended that you can neither analyze nor dissolve it. If a mill foundation was to be laid in April, and the mill itself to be hurried to completion before the close of the season for out-of-door work, an early spring and a late winter were sure to be vouchsafed to his wishes and prophecy. If a leak or other injury to a canal made a Sunday's job a work of necessity, even though a desecration of the Sabbath, he was providentially ~~for~~ favored by a fine day and a moonlight night. If a dam across the river at the falls or a river wall along the channel of the stream had to be built, a long summer's drought was graciously granted to his predictions and hopes, and when, by a miracle and a wall, the water was turned on the one side into land, and in order to restore the width of the river it was necessary on the opposite side, by another miracle to turn the land into water, he had only to stake out the ground and invoke the destructive power of an April freshet, and the floods came and the rains descended, and it was done by the twinkling of an eye, without cost to the Company and with such mathematical precision as to almost create a superstitious impression of his possessing some mysterious control over the elements."

When Mr. Straw retired as director in 1879, the year following his resignation as agent, the board unanimously adopted a declaration of their estimate of him, which had been drawn up by President Amory. It referred to Mr. Straw's "sound practical wisdom, that attribute of character combining many minor merits, which was a fruitful source of his success; his sanguine, sunny temperament and hopeful nature, while alleviating the wear and tear of his own arduous duties and heavy responsibilities in emergencies ever recurring

in a business so diverse and manifold, inspired confidence and infused a healthful spirit of encouragement amongst all of his subordinates in their different departments; his intuitive knowledge of human nature and instinctive power over men displayed themselves in every branch of our various business, elevating him in the eyes of all who knew him to the front rank, if not to the highest place in his calling, and stimulating all under him to do their best."

For about thirty years after the William Amory and E.A.Straw regime, the affairs of the Amoskeag for most of that period were carried on under the executive direction of Treasurers T. Jefferson Coolidge and Charles W. Amory, second son of William Amory, and agents Colonel Thomas L. Livermore and Herman F. Straw, who represented the second of the three generations to hold that office. The latter continued to be associated with the company until 1929,

T. Jefferson Coolidge, who succeeded William Amory in the treasurership in 1876, like him was associated with the company for about half a century and played a prominent role in shaping its destinies. He was one of the leading industrialists of the time. His many other interests included the presidency of the Atcheson, Topeka & Santa Fe and membership on the board of directors of the Burlington & Quincy in a period when these and other railroads had their main offices in Boston where they were financed. Mr. Coolidge probably had a deeper personal interest in the Amoskeag than in any other manufacturing plant with which he was financially concerned. ¶ One of the company's largest and handsomest mills was named the Coolidge in honor of his contribution to its progress and expansion. This mill on the west bank of the river was erected in 1909 under the direction of Treasurer Frederic C. Dumaine, who started with the Amoskeag in Mr. Coolidge's office in Boston in 1880, and was closely associated with him for forty years.

The inscription on the memorial tablet in the mill starts off with these words: "In honor of Thomas Jefferson Coolidge, merchant, manufacturer, diplomatist, public-spirited citizen, loyal friend and wise counsellor, this mill is named Coolidge Mill".

Starting his business career in Boston in 1850 as a clerk with William

Parkins, Mr. Coolidge three years later went into partnership with Joseph P. Gardner in the East India trade. His first association with cotton manufacturing was with the Boott Mills, of which he became president in 1858, when it was threatened with disaster. In the next five years he put the company back on its feet. Mr. Coolidge then spent two years in France and upon his return accepted the presidency of the Oregon Railway & Navigation Company. His next textile interest was the Lawrence Manufacturing Company, which he served as treasurer until he became associated with Amoskeag in a similar capacity. He had previously been elected a director of the company in 1866 and continued on the board until his death in 1920. Mr. Coolidge's entire length of service as Amoskeag treasurer was over 16 years, including three separate terms between 1876 and 1898. ⁹ The interruptions were caused by Mr. Coolidge's acceptance of other responsibilities. The first one was in 1880, after four years in the office. ^{This} was when he became president of the Atcheson, Topeka & Santa Fe, which was in a very weak condition at the time. He rescued it from complete collapse in two years. It wasn't until 1884 that Mr. Coolidge began his next term as treasurer. After eight years he then took a leave of absence from the treasurership because of an appointment as minister to France. Mr. Coolidge was of a very genial nature, exceedingly gracious and made friends easily. He returned again in 1893, ~~however~~, and continued as treasurer until November 1, 1898. All through the period he remained on the board of directors, and in 1901 he was elected president, an office he held until 1911, when Amoskeag was reorganized as a voluntary association. In the following years Mr. Coolidge served as one of the trustees of the company. In addition to Amoskeag, he also had had an interest in the Amory Mills of Manchester and the Dwight Manufacturing Company of Chicopee Falls, Massachusetts, dating from 1883. He was a director of several railroads besides those already mentioned and of leading banks. He was a delegate to the Pan American Congress in 1889, whose delegates in that year visited the Amoskeag's plants. He had been appointed New England Commissioner to the Congress by President Harrison. In 1902 he was awarded an L.L.D. by Harvard College. One of his many benefactions

to his Alma Mater was the presentation to it in 1884 of the Jefferson Physical Laboratory.

During Mr ^{Coolidge} Jefferson's first term as treasurer J.L. Bre^mer & Company succeeded Gardner Brewer Company as the company's selling agents in 1879. The following year Mill No.9 was built upon piles driven in land that had been made in 1841 -42 by filling in the river. This was another gingham mill, a four-story structure with basement and 473 x 100 feet in dimensions, with a picker building of the same height and 135 x 63 at the north end. In 1880, according to the records, Amoskeag mills depended entirely on water power to run their machinery. Statistics for 1883 gave the Amoskeag 171,096 spindles and 5,808 looms. Spindles and looms of other mills in Manchester in ~~that~~ year were as follows: Langdon, 32,256 spindles and 720 looms; Amory, 55,000 and 1,420; Stark, 52,000 and 1,400, and Manchester, 75,000 and 2,800. The equipment of these four other mills totaled 214,256 spindles and 6,340 looms.

The building of Amoskeag's No.10 mill in 1886 took place during Mr. Coolidge's second term as treasurer. It was named ^{the Jefferson mill} in honor of his ancestor. Steam power was installed in this plant. According to Herman F. Straw, who became agent of the Amoskeag in 1885, the decision of Mr. Coolidge in that year to build the Jefferson Mill was a turning point in the history of the Amoskeag Manufacturing Company. The early eighties had been a critical ~~period~~ ^{in the history} for the company. Even then there was serious talk of the cotton manufacturing business leaving this section for the South. Mr. Coolidge met the issue squarely by building the ^{new} ~~Jefferson~~ mill, which was started in 1886 and completed in 1887. When Mr. Straw paid ^{his} tribute to Mr. Coolidge in 1920, at the time of the latter's death, he said the ^{Jefferson mill} ~~event~~ marked the beginning of an established policy of expansion that had been followed ever since. If it hadn't been decided to build ~~that~~ ~~Jefferson~~ mill Amoskeag might not have been any larger than it was at that time. Its size in 1920 was due largely to Mr. ^{Coolidge} Jefferson's foresight and sagacity. Amoskeag ~~in 1885~~ ^{then} was twice as large as it ^{had been} ~~was~~ in 1885, without taking into account the acquisition of the Manchester and the Amory. In ^{the earlier year} ~~1885~~, there were 5,000 operatives, in 1920, 15,000. The latter

of course included the consolidation of the other mills.

When Mill No. 11 was built in 1889, before it was put into operation, it played an important part in the reception to the delegates of the Pan American Conference, who visited the various departments of the Amoskeag plants in October of that year and were given an opportunity to view an exhibit of the company's products displayed in the mill. It will be remembered that Treasurer Coolidge was a delegate to the conference and New England Commissioner, for the United States by appointment of President Harrison. The exhibit of textile fabrics was in the south half of the new mill, and the other half was devoted to an elaborate banquet. The displays included between three and four thousand pieces of Amoskeag goods, covering their staple and fancy styles, as well as exhibits by other Manchester Mills. Amoskeag's very comprehensive assortment of fabrics included 250 patterns of spring cantons, a large assortment of Zanzibar cloth, twelve different designs of denim, as many grades of tickings, seventy patterns of garnitures and upholsteries, fifty patterns of nap chevots, one hundred plaid and striped shirtings, fifty patterns of excelsior stripes and checks, twenty-two grades of flannels, and an assortment of mariner's stripes. Undoubtedly ~~this~~ exhibit made a deep impression upon the conference delegates from Mexico and the South American Republics and ^{it} probably was one of the important factors in the increasing export trade which Amoskeag enjoyed during the next thirty or forty years.

During the first period when Mr. Coolidge's service as treasurer was interrupted because of his having been elected to the presidency of Atcheson, Topeka & Santa Fe, Channing Clapp, who had become a director of Amoskeag in 1880, was chosen treasurer in that year and continued in the office until June 19, 1884. Mr. Clapp remained on the board through 1893. During the nearly year and a half from May 1892, when Mr. Coolidge received ~~the~~ appointment as minister to France, until he returned to the treasurership in October, 1893, the office was held by Lucius M. Sargent, Mr. Coolidge's son-in-law. He had previously been the first treasurer of the Amory Mill, which was named in honor of William Amory, ^{It was} on land bought from the Amoskeag Manufacturing Company in 1880.

Mr. Coolidge and Mr. Amory were both on the original board of directors of the new mill.

Charles W. Amory, the second son of William Amory, succeeded Mr. Coolidge as treasurer, when the latter retired from that office, November 1, 1898, and continued to serve until he was succeeded October 27, 1905 by Frederic C. Dumaine. Mr. Amory's first son, William Jr. had been clerk of the corporation from 1856 to 1869, but later became associated with the Pepperell Manufacturing Company. C. W. Amory had served in the Civil War, was captured by the Confederates and had later been promoted to Captain. He started his business career with Haughton, Perkins & Company in Boston and then became a partner in the firm of Wainwright & Amory. In 1877 Mr. Amory went to Europe. This was his second trip, the first one having been taken in 1865. In 1880 he was elected treasurer of the Amory Manufacturing Company and two years later was chosen for the same office in the Langdon Manufacturing Company. A director of the Amoskeag Manufacturing Company since 1889, Charles W. Amory continued on the board until his death in 1913. After his service as treasurer he was elected president of the company, an office which he held for seven years 1906-1912.

Mr. Amory was connected with numerous industrial and financial enterprises. Among other textile mills in which he was interested were the Lyman Mill, Great Falls Manufacturing Company and Cocheco Manufacturing Company. He was a director of the Bell, American and other telephone companies and of Western Electric and Edison, as well as of the Boston Manufacturers Mutual Fire Insurance Company, and of several Boston Banks.

When E. A. Straw retired as Amoskeag agent, his son, Herman Foster Straw had been associated with the company for about six years and was learning the business of which he too was to become agent in 1895. In the meantime that position was held by two other agents. First temporarily for three months by Judge Daniel Clark, one of Manchester's best known citizens, who had been a director of the company for about twelve years. Judge Clark was on the Amoskeag board until 1890. He served two terms as president of the company 1874-1877 and 1889-1891. It was during his first term that William

Amory retired as treasurer, ^{and} ~~who~~ in his final report referred to him as "our honored friend, the president, Judge Daniel Clark, who for more than thirty years in both public and private has exercised so beneficial an influence, professional and personal, in the state, in the city, and this corporation, by inculcating ~~the~~ lesson of mutual dependence and identity of interest and in many other ways."

From March 22, 1879 to May 26, 1885, Colonel Thomas L. Livermore was ~~was~~ agent of Amoskeag. He had been appointed by treasurer Coolidge. Much of the growth of the company ^{at this time} ~~was~~ due to the untiring efforts of Colonel Livermore and his cousin, Captain Charles T. Manning, a former Navy engineer who came to Amoskeag in 1882 as superintendent of the mechanical and engineering department. A mammoth steam plant was established on the west side of the river. Previously there had been five boiler houses scattered through the yard. It wasn't until 1896 that the use of electric power was used in the mills to any great extent. For many years until his death in 1918 ^{Captain} Manning was regarded as one of the highest authorities on steam and power installations in New England and also had a country-wide reputation in this field of engineering. He was the inventor of the Manning ~~Boiler~~, which was used exclusively at Amoskeag at that time and in many of the largest steam power plants in other parts of the United States. It was while Colonel Livermore was agent that Mill No. 9 was built, as previously noted. When he resigned ~~as agent~~ he resumed his law practice in Boston with Frederick P. Fish, who later became famous as president of the American Telephone Company. Colonel Livermore was interested in the management of several financial enterprises and for a time was president of the Calumet & Hecla Mining Company. He retired from business in 1910.

An interesting feature of the Amoskeag power layout at this time was the cast-iron fly-wheel of a pair of large thirty-six inch double Corliss engines, which was purchased in 1883. The wheel was thirty feet in diameter and weighed sixty-eight tons. It furnished power for Nos. 4, 5, 7 and 8 Mills through three belts and jack pulleys, one a twenty-four inch belt and the other two forty-two inches wide. The normal speed of the fly-wheel was sixty to sixty-one

revolutions. The engine's average steam pressure was ninety-five pounds and the load nineteen hundred to nineteen-fifty horse power. Looms driven by this system operated one hundred and seventy to one hundred and eighty picks per minute. This wheel was in use until 1891, when it was destroyed by an explosion, which killed the engineer, Samuel J. Bunker, and two women. No blame was attached to the engineer or the company, but ^{the accident} was due to "some unwarrantable defect in the wheel", according to the verdict of the coroner's jury.

The fly-wheel was then replaced by what was probably the largest wooden pulley in the world. It was thirty feet in diameter, nine feet and one-fourth of an inch on the face and twelve inches in thickness. The pulley was made up of forty-four rings of western ash, each ring being in twelve sections, and each section secured by sixteen lag bolts, seven-sixteenths by four inches. Twenty thousand feet of the best lumber was used in the construction of the rim, and eighteen thousand lag screws, besides the bolts mentioned. There were two sets of twelve arms each, with a setting of twenty inches in breadth. Every part of this huge structure was built by the most thorough and skillful workmen under the supervision of ~~Colonel~~ Manning, and from his designs. The work was done in the company's shops. The entire weight of the pulley was over one hundred and four thousand pounds, compared with one hundred and sixteen thousand pounds for the iron wheel which it displaced.

Herman F. Straw was associated with Amoskeag for fifty-seven years, during nearly thirty-five of which he served as agent for the company. He had started his career in 1872, while his father E. A. Straw was agent, and thirteen years later in 1885 he was appointed to the latter position to succeed Colonel Livermore. At the same time he was elected clerk of the stockholders, an office which he held until 1911 and then continued in it with the new title of secretary until his death at 80 years of age in 1929. During the nearly thirty-five years that H. F. Straw was managing head of the Amoskeag Mills in Manchester and associated with Treasurers Coolidge, Charles W. Amory and Frederic C. Dumaine, the company was greatly expanded and reached its peak in the yardage produced, including gingham and other colored goods,

in the number of employees and the profitable distribution of its products, although it wasn't until 1920 that the largest dollar sales were realized and 1922 when Amoskeag's spindles and looms reached their highest totals as the result of the purchase of the Stark Mills.

Mr. Straw spent practically all of his time in the mills. As he walked through the various departments, always in deep concentration, he spoke to the overseers and superintendents only when he wanted to talk to them about some detail of the work. He stressed neatness, cleanliness and avoidance of waste. For many years, every Sunday morning, Mr. Straw, accompanied by Perry Dow, superintendent of land and water power, Captain Manning, steam power expert and superintendent of the mechanical ^{and} engineering department, would make a tour of inspection of all the mill rooms to see if they had been properly cleaned up and otherwise in order after the Saturday shut down. Among Mr. Straw's associates in the operation of the mills was Captain Harry Parker, who came to Manchester in 1881 and four years later was made superintendent of the manufacturing department, a position which he held until his death in 1906. W. Parker Straw, "H.F.'s" son, was then promoted to general superintendent of all of Amoskeag. He had previously held a similar position for three years with the Manchester Mills, which at this time was consolidated with the Amoskeag.

Another close associate of Agent Straw was Charles L. Richardson, paymaster, who served in that capacity from 1855 to 1899. His uncle, Charles Richardson, had been the first paymaster of the new mills and in 1842 had originated the first banking system in the town of Manchester before a regular bank was organized in 1856. Charles L. had started with Amoskeag as a chore boy. At the time of the completion of fifty years of service with the company in 1895 he received special tributes from both Agent Straw and Treasurer Coolidge. "Of the millions of dollars that passed through his hands he never lost or misappropriated a dollar", Mr. Straw said. In the words of Mr. Coolidge, "So far as his part of the business is concerned, we can go to bed and sleep nights without worry when Mr. Richardson is there." Members of the Amoskeag organization who later served as paymasters were John W. Rowley

and Fred M. Caswell. The elegant gold many-jewelled striking watch of Jorgensen manufacture which was presented to Mr. Richardson on his retirement was later given to him by Mr. Caswell, who is now associated with Amoskeag Industries, Inc.

Mr. Straw was a great mathematician, a quick calculator, like his father. He was an inventor and the holder of several patents. Because of his continued serious concentration and dislike for speechmaking and publicity, certain traits of his character were not always apparent. One instance when he showed a side of his nature that was little known to the general public was when he firmly stated that the company would not sell part of the circus grounds on Maple Street to be cut up into house lots, because he did not want to take away the boys' and girls' chances of seeing a circus there.

The story told about Mr. Straw's friendship with Charles Silver, a yankee mechanic, with whom he often talked over his proposed inventions, is another interesting example of a frequently hidden side of his nature. After Charlie had retired he supposed that, according to company rules, as a non-employee he couldn't live in his Amoskeag house any longer and he was beginning to worry about moving. When Mr. Straw heard of this, he said: "He can live there as long as I am head of this outfit. Charlie and I were small boys together. He was very kind to me. He had a double-runner, but I didn't and couldn't have one. He let me ride on his and once in a while loaned it to me. Charlie got something out of life that I didn't."

Mr. Straw's only recreation was in his later life when on a Sunday morning he would regularly have a round of golf with Frank Carpenter, Mr. Krafts, the shoe manufacturer, and Henry W. Parker the wholesale grocer. There was seldom any conversation as far as Mr. Straw was concerned. When a new eighteen hole course was built he preferred to keep on at the old one, going around the nine holes twice with one of his men for whom he called Sunday mornings. He seldom spoke, except to say once in a while at the end of the eighteen holes, "well, that was a good game."

Although he never aspired to political office as his father did, "H. F." Straw took an active part in many civic undertakings. He headed the building

committee of the Y.M.C.A. and served numerous other groups in progressive enterprises. He was senior director of the Amoskeag National Bank and a trustee of the Mechanics Savings Bank. He was a charter member of the Derryfield Club and the Manchester Country Club.

In 1917 his son W. Parker Straw, was elevated from the position of superintendent to agent. "H. F. remained as consulting engineer and served as secretary. During the ^{First World} war when Colonel Parker Straw had a government assignment which took him to France, his father again took over the active management of operations at the mills and continued until the new agent returned in 1919. In the last ten years of his life H. F. Straw served in an advisory capacity, but went to the office daily. After Colonel Straw resigned in 1929, his father continued to give the benefit of his years of experience to those in charge of the management. His death removed from the roles of the Amoskeag the last of the Straw family who had been executives of the company over a period of seventy-three years.

H. F. Straw had the confidence of his workers and while he was agent labor troubles were practically unheard of. Resolutions on his death representing a tribute from 10,000 employees referred to him as: "An upright, honorable gentleman, whose life and effort so largely contributed to the upbuilding and success of this enterprise in which we are engaged-our leader-whose great ability and unfailing, straightforward firmness earned the complete confidence and high esteem of every employee."

Amoskeag History. 2nd Instalment
From Mr. Dumaine's Election as Treasurer to the Organization
of the Voluntary Trust.

27

When Frederic C. Dumaine was elected treasurer of the Amoskeag Manufacturing Company October 27, 1905, to succeed Charles W. Amory, he had already been associated with that corporation and its affiliated cotton manufacturing companies in Manchester, New Hampshire, for twenty-five years. He started in Amoskeag's Boston office June 15, 1880, at the age of fourteen, under treasurer T. ^{Channing} ~~Jefferson~~ Coolidge, during the period when the principal railroads of the United States had their headquarters in that city, including the Atchison, Topeka & Santa Fe, of which Mr. Coolidge was president for several years. Most of young Dumaine's early training was as an assistant in the company's purchasing department. About 1887, shortly after Amoskeag's Mill No. 10, or Jefferson Mill, was completed, Mr. Dumaine ^{went} ~~was sent~~ to Manchester by ~~Treasurer Coolidge~~ to learn the manufacturing end of the company's business in that new, modern, steam-powered plant, which was equipped with a big napping room and in the beginning produced flannels. He later was called back to Boston to take charge of Amoskeag's purchasing, because of the death of ^{the} ~~his~~ former chief in that department.

Mr. Dumaine was thirty-two when he was elected to his first mill treasurership with the Amory Manufacturing Company, one of the group of three "big cotton mills" in Manchester. He served from November 1, 1898 until June 25, 1906, the year when the Amory and Manchester Mills were merged with Amoskeag. Mr. Dumaine had been an Amory director since 1901. When the Manchester Mills was reorganized March 11, 1903, he was chosen a director and treasurer and continued in those offices until July 19, 1906. His first official connection with Amoskeag came on July 14, 1904, when he was made a director. When elected treasurer the following year, Mr. Dumaine began an executive association with the Amoskeag which has been continued up to the present time, a period of more than forty-three years.

This part of the history of Amoskeag covers a period of about six years.

from Mr. Dumaine's election as treasurer to September 22, 1911, when ~~the~~ company was changed from a corporation to a voluntary association or trust. They were progressive, prosperous years. Mr. Dumaine was a competent and energetic leader and had associated with him a corps of thoroughly experienced cotton and worsted manufacturing operating executives under the direction of ^{Agent} Herman F. Straw, and including at that time W. Parker Straw, general superintendent, ^{and} John C. Marshall and William K. Robbins, superintendents of worsted manufacturing and dyeing, respectively. The company's plant was systematically improved and enlarged and its operating efficiency increased to meet the growing demand for Amoskeag's ever-popular gingham and other colored goods. Mr. Dumaine at the time was well known as one of the captains of finance in New England. Under his able leadership Amoskeag became a shining example of what proper mill finance and well applied energy together with competent and progressive mill operation could accomplish in industrial progress. The company won and retained the confidence of the trade and the general public because of the high quality of its products, its financial stability, and consistently good earnings and dividends.

Not only was Amoskeag's stockholders' investment always secure and progressively profitable in the five or six years to 1911, but the corporation's mills were expanded into a tremendous textile manufacturing organization with 670,000 spindles and 22,000 looms ^{and} an annual output of over 220 million yards of cotton and worsted cloths. Gingham represented about two-thirds of the cotton goods production. This extensive group of plants gave employment and purchasing power to 14,000 to 15,000 people of Manchester with its annual payroll of seven to eight million dollars, and it paid taxes of \$200,000 a year to that city in 1910 and 1911 on a valuation of \$9,850,000, or about one-fourth of Manchester's total in those years. From Amoskeag's incorporation in 1831 to 1912 the company distributed a total of \$121,123,429 in wages.

In the management of the affairs of Amoskeag, Mr. Dumaine had the co-operation of an unusually able board of directors, including not only T. Jefferson Coolidge, at that time president of the company, and Charles W. Amory, both of whom had served as treasurer, but also other outstanding

leaders in New England industry and finance. They remained with him on the board during the period up to the organization of the voluntary association in 1911, and, with one or two ~~exceptions~~, afterwards continued in the management for several years more as trustees.

Among the directors of Amoskeag who during this period attended the annual stockholders' meetings on the first Wednesday of October in Manchester, where the corporation's office was located (general offices were in Boston at 64 Ames Building) was George A. Gardner, who had been on the board since 1884 and president from 1895 to 1901. Mr. Gardner was a trustee for large estates and a director in several banks, insurance and railroad companies. George Dexter, who had served since 1877, was also a ~~director~~ ^{trustee} of the Pepperell Manufacturing Company, Essex Company and Edison Electric Illuminating Company and insurance companies and banks. Henry F. Sears and George Von L. Meyer were elected to the board in 1894. Mr. Sears served only through 1907. Mr. Meyer had been a merchant and trustee until 1899. He took a prominent part in Boston and State and National politics, including service as Speaker of the Massachusetts House and as member of the Republican National Committee. He was ambassador to Italy and Russia from 1900 to 1907. In the latter year he became Postmaster-general in President ~~the~~ ^{Mr.} Roosevelt's cabinet and in 1909 was appointed Secretary of the Navy by President Taft. Mr. Meyer's business interests included the presidency of the Ames Flow Company. He served as an Amoskeag trustee after 1911.

George Wigglesworth, who was elected to the board in 1901, was a leading lawyer, banker and manufacturer. He was president of the Chicopee Manufacturing Company, and later of the Lyman Mills, and a director in a number of other mills including the Everett, Pacific, Hamilton Manufacturing Company, Boston Manufacturing Company Waltham Bleachery and Dye Works, Great Falls Manufacturing Company, Merrimack Manufacturing Company and York Manufacturing Company. He was vice-president of the ~~Hospital~~ ^{Mass} Life Insurance Co. and director or trustee of other hospitals and educational institutions, including membership in the corporation of Massachusetts Institute of Technology. He was a director of the Tampa (Fla) Electric Company and a trustee of the Central Aguirre Sugar

Forward
 Cos. Frank Carpenter of Manchester had been owner and manager of the Amoskeag Paper Mill since 1885. He had previously been in the flour and grain business for more than twenty years. He became an Amoskeag director in 1905. Mr. Carpenter was also president of the Columbia(S.O.) Water Power Co., vice-president of the Burgess Sulphite Fiber Co., Berlin, New Hampshire, and a director of the Consolidated Duck Corporation(including Stark Mills) and of several bank, insurance and railroad companies.

324 T. Jefferson Coolidge, Jr., who was on the Amoskeag board in 1908-1909 and in 1911, was one of the trustees, was founder and first president of the Old Colony Trust Company and at this time was chairman. He was vice-president of the National Bank of Commerce and trustee or director in railway, telephone and electric companies, including the American Telephone & Telegraph Company and the Edison and General Electric. Theophilus Parsons was elected a director of Amoskeag in 1910. Mr Parsons was a cotton manufacturer. He had started with the Lyman Mills in Holyoke, Mass., then visited European Mills, and in 1880 was agent for the Pocasset manufacturing Company of Fall River. He became a director of the Lyman in the latter year and in 1884 was elected treasurer, the office he held at the time he became director of Amoskeag. He was later one of the trustees and became president in 1912. Mr. Parsons was also a director of the Dwight Manufacturing Company and vice-president of the National Union Bank.

Mr. Dumaine, like the other Amoskeag directors, had a number of other business interests during this period. He was vice-president and treasurer of the Bay State Fisheries *Weg Co* and director of the Old Colony Trust Company and the Boston Railroad Holding Co., of which he became president in 1909. His interest in New England railroads has continued to the present time, as indicated by his recent election to the *chairmanship* *in 1948* presidency of the New Haven. But Mr. Dumaine's heart was always in the Amoskeag and the textile industry. An incident which took place not long after he had been elected treasurer was a good illustration of this, as well as an indication of how highly Mr. Dumaine's

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ability was regarded by leaders in the industry. The story is told that George F. Fabyan, head of Bliss, Fabyan & Co. invited, really insisted that Dumaine become a partner in the selling house, with a guaranteed salary of \$100,000 a year and a bonus or commission on its earnings. Needless to say, Mr. Dumaine turned down this offer.

One of the first steps in the expansion of the Amoskeag after Mr. Dumaine became treasurer was the merging of what were generally called at the time, the "three big cotton mills". The taking over of the Amory Manufacturing Company and Manchester Mills and Print Works had been considered for several years. There were a number of reasons why this was a logical development. The plants were adjacent to one another and were already practically under the same management. Mr. Dumaine was now treasurer of all three companies and the boards of directors were almost identical. Two of the mills, the Amoskeag and the Manchester, had the same manufacturing agent, Herman F. Straw, and the products of all three were sold through C. L. Bausher & Co. The advantages of making a closer and more economical and efficient organization of these mills had been evident to Mr. Dumaine for some years.

It was first suggested that the Amory and Manchester be leased. A meeting of stockholders was called for November 15¹ to recommend a plan which would provide for a rental of the properties at 10 and 6 per cent per annum, respectively. Holders of Manchester preferred were to receive \$15 per share, the amount of the accumulation on that issue, and a similar cash payment was to be made to common stock holders. A dividend of 5 percent was to be paid to Amory shareholders. It was stated at the time that the contemplated lease would result in what would probably be the most important mill combine ever undertaken in New England. The three New Hampshire corporations had a total outstanding capital of \$7,400,000, including \$4,000,000 for Amoskeag, \$900,000 for Amory and \$2,500,000 for the Manchester properties. The leasing plan didn't materialize, however, because of legal difficulties, and no meeting was held to take action on the proposal. Then the directors of the Amoskeag unanimously voted to buy all the properties and franchises of the Manchester Mills and Amory Manufacturing Company.

The purchase plan provided for the payment of \$1,575,000, or \$175 a share, for the Amory and \$3,500,000, or \$140 a share, for both issues of Manchester stock. Directors of the other two companies approved the offer and it was agreed that payment should be made February 15, 1906. The conditions of the purchase gave Amory share-holders rights to invest up to six-sevenths of the money paid to them (\$150 a share) in Amoskeag stock at the price of \$200 a share, on the basis that the latter's par value would be changed from \$1,000 to \$100. The rights of Manchester shareholders permitted purchase of Amoskeag stock up to five-sevenths (\$100 a share) on the same basis. Amoskeag shares for this purpose would be made available as soon as legislative authority could be obtained for the issue of additional stock. The market values of the stocks of these companies at that time were indicated by sales at the Boston auctions early in October 1905, when three shares of Amoskeag \$1,000 par value stock sold at 2,155, or an advance of $72\frac{1}{2}$, and 4 shares of Amory at $128\frac{1}{2}$, an advance of $2\frac{1}{4}$. A week later Manchester preferred was sold at $115\frac{1}{8}$.

Meetings of the stockholders of all three corporations were held December 12, 1905. The merger plans were approved with an Amory vote of 2,980 to 2 and a Manchester vote of 2,957 to 10. Amory directors declared a three per cent dividend, payable December 15. Amoskeag stockholders voted in favor of changing the par value from \$1,000 to \$100, thereby increasing the outstanding number of shares from 4,000 to 40,000. The company's authorized capital was \$6,000,000. The new stock to be issued, amounting to \$1,760,000, would bring the outstanding capital up to \$5,760,000. Amory and Manchester stockholders who chose to exercise their rights in Amoskeag shares on the basis previously mentioned were given scrip until the company should be granted authority to issue new stock. When the exchange of scrip for stock took place in February 1907, the company's outstanding capital was officially increased to \$5,760,000, or 57,600 \$100 par value shares.

The importance of the merger of the Amory and Manchester with the Amoskeag cannot be overemphasized. First of all, it meant an increase of 187,000 spindles and 3,800 looms in the cotton manufacturing equipment. As the Amoskeag already had 330,000 spindles and 11,800 looms, the total was brought up

517,000 spindles and 15,600 looms. There were 89,000 mule spindles, including 30,000 at Amoskeag and 59,000 at Amory. The latter's total was about 127,000 spindles and 3,000 looms. Manchester's cotton division's equipment included 60,000 ring spindles and 840 looms. Amory's bleaching and Manchester's dyeing and finishing machinery substantially increased Amoskeag's processing facilities. At this time the company was producing gingham, denims, tickings and napped goods. The output of the Amory consisted of sheetings, shirtings, jeans and sateens. The purchase of the Manchester also gave Amoskeag a worsted division, whose equipment included 26 combs, 30,000 worsted spindles and 2,100 worsted looms. In the cotton department the Manchester had concentrated on prints. Its worsted production was dress goods. After the merger Amoskeag's total machinery, in both the cotton and worsted manufacturing departments, included 547,000 spindles and 17,700 looms. The manufacture of printed goods was discontinued because of unfavorable market conditions for these fabrics and the Manchester became a strictly worsted manufacturing plant and was later developed and expanded on that basis. One of the textile directories in 1907 gave Amoskeag's equipment as 560,000 spindles, including 525,000 cotton and 35,000 worsted, and 18,000 looms, 16,000 cotton and 2,000 worsted.

In the two or three years preceding the merger substantial improvements had been made in the plants of both the Amory and Manchester under Mr. Dumaine's treasurership. In his Amory report for the year ended April 30, 1904, he explained that the decline in yardage produced was due to the use of a different size yarn and the manufacture of higher quality goods. He stated that there was a gain, however, in the amount of yardage put through the bleachery. He referred to extensive repairs made in several departments to put the plant in good condition. In the 1905 report Treasurer Dumaine told stockholders that \$70,000 had been spent on the plant in the current fiscal year, including \$25,000 for new machinery in the card room and \$45,000 for an addition to the picker building, and added that plant changes would provide space for 21 fly frames and 136 looms. He explained that these

expenditures were charged to the new machinery accounts, which as given in the 1905 statement amounted to \$176,481, ^{machinery} was valued in the balance sheet at \$650,000.

The Amory Manufacturing Company had three mills. Two of these were in the Langdon group, located in the upper yard opposite the Jefferson Mill, and included No. 1 Mill built in 1860 and later widened to 220 x 75 feet and No. 2, erected in 1868, 283 x 75 feet in dimensions. The Amory Mill itself, was established in 1880 and later took over the Langdon, ~~which had been incorporated in 1860~~. The latter, also in the upper yard and south of Dean Street, was originally 519 x 94 feet. Later a 103 x 101 extension was built. the complete plant was five stories high. At the south end was a four-story 88 x 85 picker house, with wheel room in the basement. Between the two buildings was a 6-story cotton house, 98 x 94.

The Manchester Mills when taken over by the Amoskeag included a new printing and finishing building which had been erected in 1901. It was located south of Granite Street, between the Lower Canal and the River, and was known for years as the New Print Works. The main building, extending along the river, was 784 x 100 feet. There were two wings, one at the south, 233 x 100 feet, and the other at the north, 217 x 100 feet, all four stories high. The new print works had a total of 478,740 square feet of floor space and ~~at the time~~ was said to be the largest of its kind in the world. But it was the erection of this large building at a time of unfavorable market conditions and the inability of its commission house to get enough business, as well as the lack of sufficient working capital to keep it in profitable operation, that led to the reorganization of the Manchester Mills in March, 1903, with Mr. Dumaine as treasurer and Herman F. Straw as agent. It is significant that when the Manchester was merged with the Amoskeag the new management decided to discontinue the production of print cloths and change it over to the manufacture of worsted dress goods exclusively. All of Manchester's mills became the Southern Division of the Amoskeag Manufacturing Company and the big new print works were hereafter known as Mill No. 10 in that Division, whose operations finally included the weaving of both gingham

and worsteds, as well as the dyeing, bleaching and finishing of cloth. The worsted spinning department of the Manchester previously had old machinery and little bits of bobbins. Mr. Dumaine had the ~~Saco~~^{Machine}-Lowell Shops overhaul the entire equipment and put in big long bobbins and otherwise modernize it. In 1908 a French system worsted spinning plant was installed, with cards, combs and dry spinning. Eventually Amoskeag had 42 French and 28 Bradford combs.

Improvements at the Manchester Mills, which were initiated when Mr. Dumaine became treasurer of the company, were referred to in his report for fourteen months from April 1, 1903 to May 31, 1904. He explained that the passing of dividends had been partly due to the dull business that prevailed. Market conditions in both cotton and wool in the previous thirty months had been particularly adverse to the interests of the mills. In connection with the very heavy expenses for plant improvements he stated that machinery had been overhauled, repaired and replaced where necessary. While this work was going on the delays that it caused from time to time had temporarily increased the cost of production. Mr. Dumaine told the stockholders that a total of \$576,000 had already been spent on equipment rehabilitation and improvement and \$200,000 more would be needed to complete the job.

In his Manchester report for the year ended May 31, 1905, treasurer Dumaine stated that the extraordinary expenditures at the plant were at an end and he expected that a dividend could be paid the following year. He called attention to the fact that in the $2\frac{1}{2}$ years since the reorganization about a million dollars had been put into the plant. A new chimney and steam plant built in 1905 enabled the company to discontinue use of the old one. When the Amoskeag took over the Manchester Mills property it was not only in good physical condition but had an excess of \$500,000 of net quick. In his report for 1905 Treasurer Dumaine remarked that profitable operation of the Manchester had been difficult because of the situation in prints, which formed a large percentage of the company's output and had to be sold under keen competitive conditions. Stocks on hand on May 31 at the end of the fiscal year included 10 million yards of grey prints, 9 million yards

of finished prints and 1,500,000 yards of worsted dress goods.

Before the merger with the Amory and Manchester, Amoskeag's production in the 1904 and 1905 fiscal years ended June 30, averaged about 138,000,000 yards of cotton cloth and more than a million and a half of bags. Amory was producing about 22 million yards of cotton goods a year. In the twelve months ended April 30, 1905, its reported production included 5,738,328 pounds of cloth and 635,029 pounds of yarn. It was stated that a gain of 395,632 pounds in bleached goods was a record for the company. Manchester's total output for the year ended May 31, 1905 of practically 58 million yards included nearly 45 million of printed and finished cotton goods and 13 million of finished worsted dress goods.

The combined production of the three mills in the fiscal periods that ended in 1905, previous to the approval of the merger December 12, of that year, was about 217 million yards. This total included 44,862,247 yards of printed and finished goods made at the Manchester Mills. The fact that after the merger the output of that plant was worsted, exclusively, must be taken into consideration when making a comparison of yardage produced after the two mills were taken over. On the basis that prevailed from 1906 on, the 1905 output for Manchester as a worsted mill would have been only 12,978,589 yards and the total for the three mills a little more than 172 million yards. It is interesting to note that for the fiscal period ended June 30, 1906, while details of the merger were being worked out, a total output of 165,122,617 yards was reported, and in the following fiscal year, during all of which the three companies were definitely operating under one name and management, Amoskeag produced 187,412,569 yards of goods, including 172,542,220 yards of cotton cloth and 14,870,349 yards of worsted dress goods. A total of 1,460,500 cotton bags was produced in the same fiscal year, which ended June 30, 1907.

After the merger the statistics of the company on quantity production and sales were divided into two groups. These were the Amoskeag, or Cotton Department, which included the Amory output and produced both cotton cloth and bags, and the Manchester Department, whose output was worsted dress goods.

The trends in the production and sales in these two departments in the five fiscal years, 1906-1911, and totals for the period are shown in the following table.

<u>Amoskeag Production and Sales 1906 - 1911</u>				
<u>Year</u>	<u>Amoskeag Dept.</u>		<u>Manchester Dept.</u>	<u>Total Cloth</u>
	<u>Cotton Cloth</u> (yards)	<u>Bags</u>	<u>Worsted Cloth</u> (yards)	<u>Cotton & Worsted</u> (yards)
<u>1910-11</u>				
<u>May 31</u>				
Production	205,249,356	1,293,157	14,188,226	219,437,582
Sales	207,508,961	1,654,677	14,485,648	221,994,609
<u>1909-10</u>				
<u>May 31</u>				
Production	191,865,740	1,519,857	16,174,867	208,040,607
Sales	185,126,557	921,878	16,505,209	201,631,766
<u>1908-09</u>				
<u>May 31-11 mos</u>				
Production	171,469,653	1,656,437	13,899,125	185,368,778
Sales	180,805,594	1,800,157	13,785,746	194,591,340
<u>1907-08</u>				
<u>June 30</u>				
Production	159,924,856	1,446,465	12,301,687	172,226,543
Sales	149,104,026	1,301,549	11,896,741	161,000,767
<u>1906-07</u>				
<u>June 30</u>				
Production	172,542,220	1,460,500	14,870,349	187,412,569
Sales	169,801,188	1,460,955	15,022,891	184,824,079
<u>Total 5 years</u>				
Production	901,051,825	7,376,416	71,434,245	972,486,079
Sales	892,346,326	7,139,216	71,696,235	964,042,561

It will be noted that in some years sales were larger than production. From time to time a certain quantity of cloth and bags were left over at the end of the season, thus increasing the merchandise available for sale in the following year. For example the stocks on hand in the Amoskeag Department June 30 1906 included 6,449,879 yards of cloth and 1,300 bags. At the end of the following periods they were: 9,190,911 and 845; 20,011,741 and 145,761; 10,675,800 and 2,041; 17,414,983 and 600,020 and 15,155,378 and 238,500. In the Manchester department on June 30, 1907 the dyed and finished worsted cloth on hand totaled 980,243 yards and in the following periods, 1,385,199—

1,498,578-1,168,236 and 870,814 yards.

Dollar sales of the "three big cotton mills" in the 1905 year totalled about \$17,000,000. This of course included the printed goods made a Manchester, while after the merger the only cotton goods represented in the sales were those of the Amoskeag and Amory. Even on that basis, sales for the year ended June 30, 1906, amounted to \$15,117,021. They were \$17,879,542 and \$16,109,124 in the next two fiscal periods.

Net profits of Amoskeag in the four fiscal years ended June 30, 1902-05 averaged \$530,000 annually. In the 1905-06 year Amoskeag earned \$905,225. After the payment of \$400,000 for dividends there was \$505,220 to be added to surplus. The \$4,000,000 capital had been on a 10 per cent dividend basis for several years. Extras of 15 per cent and 25 per cent had also been paid in 1900 and 1904, respectively.

The five-year income account for the period from July 1, 1906 to May 31, 1911, including dollar sales, net profits, dividends and the amounts added to surplus at the end of each year, is given below.

Amoskeag Income Account 1906 - 1911

	<u>1910-11</u> (May 31)	<u>1909-10</u> (May 31)	<u>1908-09</u> (May 31-11 mos)	<u>1907-1908</u> (June 30)	<u>1906-07</u> (June 30)
Sales	\$21,559,339	\$20,477,129	\$16,966,991	\$16,109,124	\$17,879,542
Net profit	721,825	760,967	782,418	1,250,655	1,232,057
*Dividends	691,200	691,200	691,200	921,600	921,576
Surplus	30,625	69,767	91,218	329,055	310,481

* Dividend percentages: 1906- 10 percent; 1907-08- 16 per cent each, 1909-11 -12 per cent each. Beginning 1909, dividends were paid July 1 and January 1. Previously payments were made February 1 and August 1, and before that June 15 and December 15.

In connection with the above income figures it should be kept in mind that manufacturing costs and various charges were deducted from the sales totals before the net profits and that Amoskeag reports always indicated the amounts of increase or decrease in inventory values. Manufacturing costs were

over 20 million dollars in 1909-1911, more than 16 million in 1908-1909 and 1906-1907, but not quite 15 million in 1907-1908, the depression year. In 1905-1906 the manufacturing costs had been \$13,722,588. They were \$20,534,004 in 1910-1911. In the last three fiscal periods of the five included in the table ^{there} were no deductions for interest, and from 1906 to 1908 the amounts were only \$88,878 and \$13,265. Charges for "guaranty" ranged from \$52,648 in 1907-1908 to \$89,882 and \$78,919 in the two more recent fiscal periods. There were inventory increases in the three middle years, starting with 1907-1908 of \$177,377, \$56,088 and \$413,752, and decreases of \$102,969 in 1906-1907 and \$224,591 in 1910-1911. There had been an inventory reduction of \$386,502 in 1905-1906, the first fiscal period to involve Amory and Manchester mills, which were acquired as of February 15 of the latter year.

Dividends paid by Amoskeag during the period 1906-1911 are indicated in the preceding income account. The company's stock had been on a 10 per cent basis since 1900. There was an extra of 15 per cent in that year and of 25 per cent in 1904, so that the total distributions were actually 25 and 35 per cent. In the earlier years dividends were as follows: 1895-1896-7 per cent ; 1897-- 5 per cent; 1898-6 per cent and 1899- 9 per cent. Up to December 31, 1910, Amoskeag had paid 145 semi-annual dividends, or a total distribution of \$26,701,871, since the first dividend of \$60 on the \$1000 par shares was declared July 9, 1834, three years after the incorporation in 1831.

The Amoskeag's balance sheets for the fiscal years 1902-1905 showed net quick assets that averaged about \$3,500,000. They were \$3,449,675 on June 30, 1905. The purchase of the Amory and Manchester required the use of a good part of this net quick, and on December 31, 1906 it was temporarily down to \$2,131,671. As will be seen later, by 1911 it had been increased to over \$8,000,000. In the first balance sheet after the merger cash on hand at the end of 1906 amounted to \$470,368 and liabilities included the \$5,760,000 in scrip that been distributed to Amory and Manchester shareholders until the additional stock should be authorized, Bills payable amounted to

\$2,175,000. It will be remembered that the Amory and Manchester purchase plan called for a total payment of \$5,075,000 and the rights to purchase Amoskeag stock on terms previously mentioned.

Amoskeag's real estate and machinery were valued in the 1906 statement at \$3,000,000, the amount at which the company's very conservative accounting policy carried the plant in the balance sheet, for many years, even though it represented less than \$5 per spindle for the cotton equipment alone, which at that time could not have been replaced for much, if any, less than \$20 a spindle. The net plant value in the 1906 and 1907 balance sheets was actually \$2,500,000, because there was a depreciation charge of \$500,000 in each year. It is of interest that in the company's published financial statements of following years no definite reserve for depreciation was indicated.

The balance sheets for the five-year period compare as follows:

Balance Sheets as of October 1 and December 31.

	<u>1910</u> (October 1)	<u>1909</u> (October 1)	<u>1908</u> (October 1)	<u>1907</u> (December 31)	<u>1906</u> (December 31)
<u>Assets</u>					
Real Est.					
Mills					
Mach'y	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Materials and					
Supplies	3,029,916	3,912,922	786,068	963,982	4,547,715
Cash and					
Debts Rec.	7,460,895	5,280,927	6,163,925	7,305,376	4,306,671
Totals	\$13,490,861	\$12,193,849	\$ 9,949,993	\$11,269,358	\$11,854,386
<u>Liabilities</u>					
Capital	\$ 5,760,000	\$ 5,760,000	\$ 5,760,000	\$ 5,760,000	\$ 4,000,000
Scrip for Stock	.....	.....	.....	.....	1,760,000
Bills pay.	2,655,000	1,300,000	50,000	1,075,000	2,175,000
Res. Dep.	.....	.....	.....	500,000	500,000
Prof. & Loss	1,740,378	1,670,611	1,579,393	1,912,553	1,451,419
Surplus	3,335,433	3,463,238	2,560,600	2,021,805	1,967,967
Totals	\$13,490,861	\$12,193,849	\$ 9,949,993	\$11,269,358	\$11,854,386
Net Quick	\$ 7,835,861	\$ 7,893,849	\$ 6,899,993	\$ 7,194,358	\$ 6,679,386
Per Share	135	137	120	125	116

Rather complete statistics of Amoskeag Manufacturing Company for the first five or six years of Frederic C. Dumaine's treasurership have been

given to show more clearly the progress made by the corporation in one of the most interesting periods in its long history. The year 1909 was an especially eventful one, not only because it was then that Amoskeag erected the handsome 100,000 ^{- spindle} Coolidge Mill to increase its gingham production and a new powerhouse to generate electricity for the motor-driven machinery in the new mill, but also began the selling of its own goods under the direction of Treasurer Dumaine. This was a year of very high cotton prices and long-continued mill curtailment throughout the country. In that connection perhaps a review of the general business conditions from 1904 to 1911, with special reference to 1909, will serve as a background for a better understanding of the statistics already presented and a fuller appreciation of the raw material, price, inventory and other problems with which the Amoskeag management had to contend in those years. The company was using from seventy thousand to ninety thousand bales of cotton annually during the period 1906-1911. A six-months' supply which the company usually had on hand not only required extensive storage space but also, depending on the price of cotton and the quantity involved, represented an investment that ranged from approximately \$1,500,000 to four or five million dollars. Besides Amoskeag's wool requirements were from 15 to 18 million pounds a year, which also resulted in storage and inventory problems.

The company's annual report for the fiscal period ended June 30, 1904, stated that the year had been an unsatisfactory one. Special reference was made to the current high prices for cotton. It will be remembered that this was the time of the famous Sully speculation based on an expected small crop like the 9,851,129 bales harvested in the 1903-1904 season. By February of the latter year the bulls had built up the quotations on cotton from around ten cents to above seventeen cents, the highest price to that time since the Civil War. But it was soon realized that a fairly large crop was being planted. In fact the yield for the season proved to be 13,438,012 bales, an increase of more than $3\frac{1}{2}$ million bales over the preceding year. In two weeks the market had declined to 13 cents and by July it had lost another four

cents. The nine-cent level didn't last either, and by January, 1905, cotton could be bought for 7 or 8 cents a pound. In other words, in not quite a year there had been a decline of 10 cents. While cotton was advancing Amoskeag like other mills had raised prices on goods to meet increased costs. Cloth quotations were reduced after the extreme drop in the raw material. The effect on inventories during these fluctuations may well be imagined. Amoskeag came through the period very well, as indicated by the statistics previously given.

It was during 1904 and 1905 that the Russians and the Japanese were in the war that ended in the latter's victory and the treaty signed September 5 at Portsmouth, N. H., as the result of the good offices of President Theodore Roosevelt. From then on Japan became an increasingly important factor in the world's textile markets and there were soon complaints in this country that Nippon was making inroads into the China trade and taking more and more of the business in cotton goods which had been previously supplied by our mills for so many years. Mr. Roosevelt had been elected in his own right in November, 1904. His victory at the polls was predicted by the New York Herald, whose appraisal of the candidate is interesting, because it reflected the conditions and attitude of the general public at that time. The Herald said that Mr. Roosevelt would be elected "not because the people have confidence in him and in his conception of the President's functions, but because the country is prosperous and the necessity of a change is not very pressing." This boom lasted until the summer of 1907, and then the country went into a depression, which continued to the fall of the next year (1908).

Amoskeag's report for the year ended June 30, 1905 reflected the general prosperity of the period. Increased buying power and low cotton and cloth prices resulted in a large demand. Amoskeag sold all the goods made in that year and stocks from the previous period were very substantially reduced. The company's report stated that there had been no large expenditures on the plant, but it was in excellent condition, as sufficient money had been spent in each of the previous years for repairs and to keep it in

up to standard. Another small crop in 1905-1906, only 10,575,017 bales, again brought raw material and inventory problems.

The business boom continued through 1906 and the first half of 1907, and was then followed by a year of depression, as previously noted. While Amoskeag was acquiring the Manchester and Amory Mills general business conditions were very favorable. However, the company's operations, sales and profits in the 1907-1908 year were adversely affected by the depression. It will be remembered that in 1906-1907 sales of cotton cloth were 169,801,188 yards and in 1907-1908 only 149,104,626 yards. By 1908-1909 sales had gone up to 180,805,594 yards.

In the fall of 1908, following the election of William Howard Taft as president, the business conditions of the country started to improve in what came to be known as the "Taft Market". All New England manufacturers planned big things for 1909. Amoskeag was getting ready to build the Coolidge Mill and the new powerhouse. During the election campaign Mr. Taft visited Manchester. He was the guest of Agent ~~of Agent~~ Herman F. Straw on a tour of inspection through the mills. President Lincoln, another famous visitor at Amoskeag, had been entertained by his father, E.A. Straw, while the latter was agent. One of Amoskeag's directors, George Von L. Meyer, who had been Postmaster General under Roosevelt, became Secretary of the Navy in Taft's cabinet. Amoskeag and other textile mills in New England were of course very much interested in the tariff revision hearings which started November 8, 1908 and were continued through the first half of the following year. The uncertainties of the situation while the making of the Payne-Aldrich Tariff was in process had their effect on industry operations.

Some interesting financial statistics made public at this time indicated what progress Amoskeag had made during the twenty years from 1889 to 1908. It was brought out that the company's capital during that period had averaged \$4,143,000 and that the net returns on it amounting to \$477,880 annually was equivalent to 11.53 per cent. The average net return after dividends for the first ten years (1889-1898) was \$306,000 on a capital of \$4,000,000 and for

the last half of the period (1899-1908) \$649,760 on an average capital of \$4,286,000. The increase in the market selling value of Amoskeag stock was indicated as follows: January 1, 1889, \$7,560,000; July 1, 1898, \$7,000,000, and on December 10, 1908, \$16,128,000. The Company's capital was increased by \$3,520,000 during those twenty years and total dividends of \$9,557,600 were paid.

The year 1909 was generally a poor one for textiles, but Amoskeag showed a good profit and was able to add a substantial amount to its surplus. Tariff revision, high cotton prices, general expansion and inflation and then curtailment presented continuous problems for mill managements. The year started off with some of Amoskeag's departments running day and night. There was a good demand for staple and fancy ginghams, with duplicate orders for the finer cloths coming quite freely, and no surplus of goods. By March it was reported that New England mills were running 100 per cent of capacity and making money. Textiles were said to be one of the bright spots of a generally dark industrial situation. Profits, however, were not up to what they had been in the boom period. Tariff hearings and debates continued to hold the attention of Congress and the industry during the first half of 1909. The new schedules were approved in August and were to become effective April 1, 1910. Referring to the tariff situation while the bill was in process Speaker of the House Cannon complained that the education in connection with the passage of the new legislation had been costing the country \$7,000,000 a day.

Undoubtedly the expectation of benefits to industry from the higher duties under the Payne-Aldrich Act was one of the several factors contributing to the very extensive building of new mills during 1909. The announcement that Amoskeag planned to erect its Coolidge Mill at a cost of nearly \$2,000,000 had already been made. The number of mills built in 1908 had been smaller than during any of the previous nine years, although in 1905 also there had been comparatively little construction. Even early in 1909 some authorities questioned whether it was a good time to build mills, because of doubt as to the ability of ^{the market} consumers to consume the increased production. But money was cheap and mills were willing to take a chance with expanded equipment that might make larger profits possible. In fact, the extent of new

construction in the cotton manufacturing industry in 1909 was almost "beyond conception", according to one observer. Another view was that the erection of mills then in process in New England had never been previously equaled at one time, and some of it, like the ^{new plan} Everett Mills in Lawrence and the Nashawena in New Bedford, was "unprecedented". It was estimated that up to \$40,000,000 would be spent for new mills and equipment in New England in 1909.

The largest expenditures were in New Bedford, fully twelve million dollars for four new mills, three cloth and one yarn, including the Nashawena, New Bedford Cotton and Quissett. The total increase in equipment in that city was 510,037 spindles and 12,637 looms. Fall River Mills added approximately 300,000 spindles. Other new cotton mills planned for this year included the Maverick in East Boston and the Lawton Spinning Mills in Plainfield Connecticut. It was largely a period of fine goods expansion. Generally the cost of building a mill of this type had been about \$20 a spindle and for a coarse or medium goods mill \$17.50, but for some of the former that were being constructed in 1909, the basis was up to \$22 to \$25 per spindle. The expansion was so extensive that soon frequent references were made to the fact that when the new mills were completed they would be calling for more help.

By October, 1909, warnings against over-expansion were beginning to be heard. Cheap money had brought a period of inflation following the depression of the two preceding years. The extensive building of textile mills and other industrial plants was reflected in the steel business, and the stock of the largest producer in this field became a very desirable purchase. Copper mining was also in its heyday. These and other factors were the basis on which the well-known publisher, Frank A. Munsey, started to build up the 1909 bull market, which was probably due to his leadership as much as to any other man. He had been a prominent figure in the stock market for years. In the 1907 panic Munsey laid the foundation for another great fortune by buying up stocks at the prevailing low prices, with special attention to U. S. Steel common. Textile mills were doing so well that stock dividends were declared by many of them, especially in the fine goods branch of the industry. Six companies

in New Bedford paid stock dividends of 50 or 100 per cent. In Fall River the Troy Cotton & Woolen Manufacturing Company distributed 100 per cent in stock. That was the only one paid in the great print cloth producing center.

The price of cotton was gradually climbing to higher levels and this trend continued into 1910. By early October spot cotton was 13.60 cents. Before the end of the month it was well above 14 cents. The possibility of curtailment, especially in the coarse goods mills, was already being discussed in the trade. Most mills in the fall of 1909 had enough cotton to run to January and February. They had stocked up in 1908 at 9 to 10 cents a pound. Some manufacturers were sold ahead to 1910 at the old level of goods prices. Others were largely on spot business. In August 1909 Amoskeag opened and sold up its lines of new gingham at the previous year's quotations. Early in October it was stated in the trade that the general range on finished goods was still below or at least ^{not above} the 12-cent basis for cotton. The 1909-1910 crop eventually proved to be 10,004,949 bales, as compared with 13,241,799 bales in the preceding season.

The replacement cost for cotton while cloth was priced on a 12-cent basis was first 13, later 14 and then 15 cents. When cloth was raised to a 13½ cent or higher basis the public became more reluctant to purchase goods. Although the mills still had some of their low-priced raw material, they were continually replacing their stocks with higher priced cotton and had to advance their cloth quotations in proportion to the increase in raw material costs, if they were to continue profitable operation. There were charges that the cotton price level was speculative and artificial, and there seemed to be good basis for this claim. In fact, while spot cotton was quoted in the middle of November at 14.80, one observer remarked that everybody was buying cotton except those who wanted it. Among the reasons for the advance in cotton prices was the increase in exports. In October they were valued at \$88,883,350. This was a new record and in no previous month in cotton history had they reached the 80 million dollar mark.

The trade was already comparing the situation to the Sully speculative boom of 1904. The current prices were then only three cents below the high

of that year. Another collapse was freely predicted. Up to the end of 1909, however, the effect of the high price of cotton was largely sentimental, because most mills had enough on hand to carry them into the next year. Their problem was as to what policy would be best for the next six months, since the old cotton would all be worked out by March or April, ^{at the latest.} Prices on goods would have to be higher to insure profitable operation, and if the public would not pay more, the only thing left would be to curtail production.

Amoskeag staple ginghams had declined to 5 cents in 1908, but dress ginghams were priced at $8\frac{1}{2}$ cents as in 1907. In January, 1909, prices on Amoskeag fabrics included the following quotations: Staple ginghams, $5\frac{3}{4}$. Napped goods-1921 cloth, $7\frac{1}{4}$; Clover cloth, $7\frac{1}{2}$; Teazledown, $8\frac{1}{2}$; Daisy cloth, $8\frac{1}{2}$. Tickings- ACA, $11\frac{1}{2}$; XXFancy, 12; XXXFancy, 12; XFancy 10, and C Ticking 10. Four-four bleached sheetings-Langdon 76's, $8\frac{1}{2}$; and GB's, $9\frac{1}{2}$.

Even by October 1909, Amoskeag prices were well below those of 1907, when the high for cotton was around $13\frac{1}{2}$. The quotations on staple and dress ginghams had been increased since the first of the year to $6\frac{1}{4}$ and $8\frac{1}{2}$ cents respectively, as compared with 8 and 9 cents, 1907. Some other 1909 prices quoted for Amoskeag fabrics in the fall included 2.20 blue denims at $14\frac{1}{2}$ and 9 OZ Denims at 17; 1921 cloth $7\frac{1}{2}$; 4-4 bleached Amory $9\frac{1}{2}$; ACA ticking, 13 cents. Among the Amoskeag prices announced in January, 1910, when cotton was about $15\frac{1}{2}$ cents and the trade was confident that it would go to 20 cents, (it did reach 19.75 during the 1910-1911 season, to be followed later by a low of 12.30), included Daisy cloth, $7\frac{1}{4}$; Clover cloth, 8, and 1921 plain, 8 cents. It was stated that Teazledown and 1921 fancy styles would be priced later. Amoskeag's complete line of products included ginghams, chambrays, shirtings, napped goods, tickings, denims, brown and bleached goods, grain bags and yarns.

The higher prices for goods and the falling off in demand finally compelled mills to take definite action on a curtailment policy. Late in October the Arkwright Club, whose membership included leading mill executives (Mr. Dumaine was president of the Club from 1910 to 1918) adopted

a resolution calling for a curtailment of production from October to August 1910, to an amount equivalent to 224 working hours. A few days later it was reported that mills in Maine and New Hampshire, including the Amoskeag, of course, had reduced their working schedule by two hours a week, from 60 to 58 hours. In New England generally the Arkwright plan was being carried out more and more extensively, and it was predicted that by November 16, fifty per cent of the mills in that section would be running short time. The fine goods manufacturers in New Bedford were curtailing two hours a week, but the Fall River mills were not yet ready to reduce their output, probably because prints were said to be the strongest feature in the market at that time. With the announcement that Lancashire was going on short time the trend soon became world-wide.

By the first of the new year (1910) there was a fairly general opinion that cotton mills would run on reduced schedules for some time. Fall River joined the rest of the industry at the end of February and began a day a week curtailment. During the following month it was estimated that production in the North had been reduced about $33\frac{1}{3}$ per cent and in the South, by 50 per cent. By July depression was pretty general throughout the industry. It wasn't until September that the cotton goods industry began to take on a more healthy appearance. Consumers had at last been forced into the market to purchase goods at prices that were then based on levels about proportionate to 14-cent cotton. The raw material was soon above 15 cents and still advancing, eventually reaching approximately 20 cents. Cotton manufacturers and selling agents were fighting to obtain higher prices for cloth and met with some success.

By the end of 1910 Amoskeag was quoting higher prices on its fabrics. Staple ginghams were up to 7 cents, but still below the 8 cents quoted early in 1907. Seersucker XX was priced at 8 cents. The quotation on AFC dress ginghams was up to $9\frac{3}{4}$ cents. This was also the price for Amoskeag Seersucker. Imperial chambray had advanced to $11\frac{1}{2}$ cents, 2.20 denim to 15 cents and 9-oz denim to $17\frac{1}{2}$ cents. Quotations on forty-inch Langdon brown sheetings were $8\frac{3}{4}$ for the 76's and $9\frac{3}{4}$ for the GB's. Ticking prices included: ACA4-4, 17 cents; ACA, 14; XX Fancy, 15; XXX Fancy, 15. Langdon bleached sheetings were priced

at 9 cents for 76's and 10 cents for G.B's. Amoskeag bookfold chambray was quoted at $7\frac{1}{2}$ cents and Amoskeag A grain bags at 21 cents.

The year 1909 was a very prosperous one for the woolen and worsted industry. Amoskeag like other leading mills obtained a good share of the available business. Its production of worsted dress goods was nearly 14 million yards in eleven months of the 1908-1909 period to May 31, of the latter year, an increase of a million and a half yards over the preceeding twelve months, and in 1909-1910 the output of worsted cloth reached a total of 16,174,867 yards, and sales during that fiscal period were substantially larger, 16,505,209 yards. The company was buying about 18 million pounds of wool annually. It had installed French-type worsted spinning in 1908. The total equipment in this department in 1909 included 45 combs, probably 17 or 18 of them of the French type, 50,000 worsted spindles and 2,200 looms, compared with 30,000 spindles and 26 combs when the Manchester Mills were acquired. The company's worsted department eventually increased its machinery to a total of 70 combs, 28 Bradford and 42 French, and 68,000 spindles. The use of the French system was much more extensive in the United States in this period and by 1909, from 100 to 125 worsted mills were operating combs and spinning frames of this type, according to one estimate.

The prospect of more favorable wool schedules in the tariff bill and the rates finally included in the measure presented in April, 1909 undoubtedly had a stimulating effect on the industry. The unparalled prosperity in worsted manufacturing led to the construction of new mills and an increase in the equipment. The trend to worsteds was probably the most important development in the textile industry at that time. American Woole, and Arlington expanded their production. In February, American announced plans for the Ayer Mill, which would be the largest worsted mill in the world, it was said. Later in the year (1909) the Wood Worsted, the second largest, was expanded and took the leadership in this field and has since continued to hold it. In March (1909) it was announced that in the first three months American Woolen did about as much business as in all of 1908. Practically all the worsted machinery in the country was in operation in that month and the mills were very busy. American Woolen was producing all the worsteds it

could with the available yarn supply. The company was so intent on increasing its output of worsteds that all kinds of rumors were being heard, one to the effect that it might erect a plant in Chicago, but American Woolen declared that it wasn't planning any expansion outside of New England.

Raw wool prices were increasing in 1909. There were claims that wool growing in the United States had been neglected. Goods prices were increased. It was predicted that suits would cost 25 per cent more than in 1908. In October the trade saw small chance for a reduction in the price of wool for some time. By April, 1910, the chief topic of discussion was the excessive price that had to be paid for wool and its part as an important factor in the high cost of living. When wool declined later to a basis that was 20 per cent lower than the 1909 high level, manufacturers found it possible to quote their goods opened in August, 1910, at correspondingly lower prices, generally 15 to 20 per cent less than on the fabrics offered in that month in the preceding year.

It was under general conditions in the industry such as those described that the Amoskeag started to build the 100,000-spindle Coolidge Mill early in 1909. It was to be the largest gingham mill in the country. The company in that year erected the new power-house for the Northern Division. It will be remembered that when the Jefferson Mill was built in 1886 under the treasurership of T. Jefferson Coolidge, Herman F. Straw, who had become agent in charge of all Amoskeag's operations in Manchester the preceding year, called the event a turning point in the company's history. It marked the beginning of a period of expansion which culminated in making the Amoskeag the largest cotton manufacturing company in the world. The big No. 11 had been constructed in 1889 and in 1902 the company had built its first and only wooden weave shed. This was on the west side of the River, facing Main Street, with its northern end at the junction of Main and McGregor Streets. It was a two-story structure with brick basement and 504 x 98 feet in dimensions. Now Amoskeag with the Coolidge Mill was taking another great step

towards its ultimate goal.

That Amoskeag was considering increasing its gingham manufacturing facilities by the erection of a new mill became known in December, 1908. The next month January 1909, it was reported that the Manchester Board of Aldermen had voted to exempt the new mill, which would be known as the Coolidge Mill, from taxation for a period of ten years. The mill was expected to cost nearly \$2,000,000 and would be equipped with the latest type electrically operated machinery including 100,000 spindles, all on one floor (the largest mill with this arrangement in the world) and *nearly* 3,000 modern Draper looms. It would be equivalent to two medium-sized mills and add something like 20 to 30 million yards of fast-selling Amoskeag gingham to the annual production of the corporation. The new mill would increase the number of the company's cotton spindles to 620,000 and looms to about 22,200, compared with 330,000 spindles and 11,800 looms in Amoskeag's original mills in 1905, before the Amory and Manchester were acquired. When ready to operate the Coolidge was expected to require an increase of 2,000 to 3,000 in the company's working force, bringing it up to about 15,000 employees.

The Coolidge Mill was to be located on the west side of the River facing McGregor Street and north of Bridge Street on farm land *formerly* owned and improved by Dr. Oliver Dean, the company's first agent and treasurer. Between the structure and the site of the Old Mill the company at that time owned many acres of land. Located in an attractive setting with improved surroundings, the Coolidge Mill with its extensive carding, spinning and weaving equipment comprised a four-story main building, 704 x 103 feet, and two wings on the east or river side, each 204 x 103. The north wing was four stories and the south, five stories. A covered passageway over Bridge Street connected the Coolidge with Mill No. 11. This was intended to facilitate transportation to and from the new mill, including the carting of bags of cotton that had been stock dyed by the Delahanty vacuum system in the *River Dye Works*. The Coolidge spinning was largely on colored yarns. A good quantity of it was 35s filling, bleached and in various colors. All of the 100,000 spindles were on the top floor. This

was one of the first motor-driven mills in the country. On the next two floors there were ~~nearly~~ three thousand 32-inch looms weaving colored yarns almost entirely. Carding and spinning were on the first floors.

Work on the new mill was pushed forward as rapidly as possible and the brick work was well underway by March 1. In October it was reported that the carpenters were finishing the interior of the mill and that when they were ~~thro~~ through about twenty carloads of spinning machinery which had already arrived and other equipment would be installed. The engineers in charge of the erection and installation of equipment for the Coolidge Mill and the new power plant built in the same year were Charles H. Manning, superintendent, Perry H. Dow, superintendent of the comp^any's land and water power and Alphonso H. Sanborn, chief draughtsman.

Amoskeag stockholders watched the progress of Coolidge mill construction ~~with~~ with special interest, as they appreciated the fact that gingham was a market leader and every thousand new spindles would add to the corporation's earning capacity and they were sure that the expected increased profits would be fairly distributed in dividends. The mill was completed, and in spite of the market situation previously described, with its high cotton prices, buyer resistance and curtailment, Amoskeag produced in the 1909 and the 1910 year 191,865,740 yards of cotton cloth, an increase of more than 20 million yards over the 171,469,653 yards woven in eleven months ended May 31, 1909. In these two periods sales averaged about 183 million yards. The full advantage of the new Coolidge facilities was not realized until 1910-1911, when Amoskeag's total production of cotton cloth was 205,249,356 yards, which compares with an average of 138 million yards manufactured in several years previous to 1906. With improvement in market conditions sales in the 1910-1911 fiscal period also reached a new high, 207,508,961 yards of cotton cloth, or over 2 million yards more than the output for that year. Dollar sales of both cotton and worsted cloths had been slightly over sixteen million in 1907-1908. In eleven months of the next

year they were practically 117 million and in the 1909-1911 fiscal periods they reached new highs of \$20,477,129 and \$21,559,339. Amoskeag had started selling its own goods under the direction of Treasurer Dumaine in January 1910.

Power development was another important improvement at Amoskeag in 1909. The machinery in the mills had been run almost entirely by water power up to 1880, although boilers had been installed for heating and other purposes in the later years. Steam power was instituted in 1886, when Mill No. 10, known as the Jefferson Mill, was built. It had a steam plant of its own. A new chimney and steam plant were constructed for the Manchester Mills and Print Works in 1905. Electric power for the new Coolidge Mill became available with the erection of the big Northern Division Power Plant across the river on the east bank, north of the Jefferson Mill. This new development made possible the discontinuance of the Langdon, Jefferson and Amory boiler houses, resulting in more economical operation and better work in the mills involved.

The new power plant included a turbine engine station and a boiler house. The engine station was 151 x 67 feet. Two 2,500 and one 7,500 horsepower engines were installed. The former had an electric generating capacity of 3500 kilowatts each and the latter 5,000 kilowatts. ~~Additional~~ Space was available in the station for additional engines when needed. At this time the textile industry generally because of the erection of so many mills was becoming increasingly interested in motor-driven machinery, and there was a good deal of discussion not only on the per spindle cost to build a mill but also about power costs. One leading engineer stated that the power costs in a textile mill in 1909 on the basis of 3,000 hours per year was 1.0654 per kilowatt hour for an engine and .965 per kilowatt hour for a turbine. The boiler house was 529 x 44 feet 8 inches. It was equipped with 64 boilers, each rated at 150 horse power.

The construction of the Coolidge Mill and the new power house to generate electricity to drive its machinery were two of the three important developments in Amoskeag history in 1909. The third was the decision of the company to sell its own goods. It was probably the first colored goods mill in New England, if not in the United States, to take such a step. Amoskeag gingham and other

popular cotton fabrics, as well as worsted dress goods and yarns had been sold in the preceeding twenty-five years through the commission house of C. L. ~~Baus~~ Bausher & Co. The decision to sell direct was made December 29, 1909. The account was taken away from the commission house, and Treasurer F. C. Dumaine, himself, hereafter directed the merchandising of the company's goods. Walter L. Wellington was appointed agent in charge of Amoskeag's selling offices at 34 Thomas Street, New York. He served in that capacity from January 1, 1910 until his death in 1914, when he was succeeded by ~~David~~ W. Jarvis and William S. Frankard as joint agents. They had been connected with the distribution of the company's goods for many years. The trade was taken somewhat by surprise when the change in Amoskeag's selling policy became known, but as one report explained ~~that~~ "there had been a feeling for some time past that the selling company had not been as active in disposing of goods as might be desired."

✓ The advantages from the new selling arrangement were soon evident. It saved the company several hundred thousand dollars a year in selling expenses. In this connection some figures on Amoskeag sales for the period 1909-1934 are of interest. Total sales for the twenty-five years amounted to \$660,868,236. They included \$417,710,247 for cottons, \$197,700,401 for worsted, and \$45,457,588 for yarns. The annual average for all three of these classifications was \$26,434,730, and for each of them separately, \$16,708,410, \$7,908,016 and \$1,818,304. Before 1909 Amoskeag's selling cost averaged 2.19 per cent annually, but in the twenty-five years referred to, during which the company was selling its own goods the cost was only 1.06 per cent. The difference of 1.13 per cent meant a saving that averaged about three hundred thousand dollars a year. Total savings for the twenty-five years amounted to \$7,427,653.39.

Amoskeag shares for many years were among the most highly regarded textile securities on the market. Preferred and common shares yielded about 4.54 and 4.3 per cent respectively. Price trends on the company's stock from 1907 to 1911 are especially interesting. Investors enjoyed generous dividends and knew that they could always count on Amoskeag to make money and to come through with worth-while returns to stockholders. In 1907 the high and low quotations on Amoskeag shares were \$260 and \$225. The low mark was reached in the summer of that year following the collapse of the boom. A steady absorption of mill

shares followed and they were put to a severe test in ~~the~~ period of speculation and manipulation. Amoskeag stock sold at 235 on January 1, 1908, but before the year was over it had reached a high of 300. Dividends of 16 per cent were being paid in 1907 and 1908. The stock had previously been on a 10 per cent basis with extras since 1900. The rate from 1909 to 1911 was 12 per cent.

Opening at 300 at the beginning of 1909 Amoskeag shares climbed steadily until they reached a high point of 350 $\frac{1}{2}$ on August 4 ~~at~~ the weekly auctions in Boston. This meant a market value for all of the company's stock of more than \$21,000,000, compared with around \$13,000,000 in 1906. Even Amoskeag's best friends felt that this higher valuation was not ^{conservative} justified. Attention was called to the fact that the company's capital and property valuation were unchanged. Besides, it was questioned whether its total assets had increased more than 50 per cent in three years, as seemed to be indicated by the current market value placed on Amoskeag's capital stock. The company's dividend policy had always been generous, but it wasn't likely that would be any immediate increase in the existing 12 per cent rate, not at least until ~~the~~ after the new Coolidge Mill was completed and ready to be put into operation. The expected advantage from full production in that plant didn't materialize as soon as expected, because of the long period of general curtailment in the industry, which began in the latter part of 1909 and continued through the first half of the next year. However, everybody who knew Amoskeag was certain that it would have a bright and profitable future, because of its great producing capacity, the quality of its products and the recognized ability of its executive and manufacturing officials. The company's high textile management and the way it was developing the Amoskeag property commanded the attention and respect of investors and of competitors as well. Although 1909-1910 was a poor year in textiles generally, Amoskeag did make a good profit and added a substantial amount to surplus.

The increase in the price of Amoskeag stock from 300 to 350 in the first half of 1909 from 300 to 350 reflected the general inflated conditions of the times and was of course helped substantially by the expectation that the

company might increase its dividend rate or distribute an extra. The fact that over two million dollars were being spent for the new mill and powerhouse to expand and improve plant operations was not taken into consideration by the inflation-minded, although they were of course counting on the expected increase in output and the additional profits that the new mill would make possible. But when the company's dividends remained unchanged and an industry-wide curtailment started in October, Amoskeag shares dropped to 325, a much more reasonable price under existing conditions. Soon the general opinion prevailed that it was time that the rise in mill share quotations should be checked until the future could be better understood. They had steadily increased since the first of the year. In regard to Amoskeag, it was stated that this stock shouldn't be regarded as a speculation with fluctuating prices but as an investment and that it should have a conservative effect on the market. There was no valid reason, it was argued, why the price of the company's total stock should have increased by \$567,000 in one week or by \$2,880,000 since January 1. But by November Amoskeag stock had dropped to 320 and on December 16, nineteen shares were sold at 310.

The 350 price for Amoskeag shares was not wanted by investors, largely because with a 12 per cent dividend it meant a yield of 3.43 per cent, as compared with practically 4 per cent at the lower prices. However, they continued to appreciate the fact that there was no better or safer security at a reasonable price. They knew that the corporation had everything to make it a winner. The plant was as near perfect as men of brains and ample funds could make it. It had size, the largest textile plant of its kind in the country, if not in the world. Amoskeag had executive and manufacturing management second to none. It was financially in as good condition as it was physically, and the monster new mill would add materially to its earning power. These were the thoughts in the minds of Amoskeag investors near the end of 1909. In the following year prices on the company's shares went down to 280, but were soon back to 295, representing a yield of 4 per cent or near it. It was brought out in October, 1910 that Amoskeag dividends in the previous nine years

years had aggregated 141.3 per cent , or an average of 15.77 per cent annually.

The statistics previously given brought the Amoskeag history up to May 31, 1911, the date when the company's fiscal year ended. It was in the fall of that year that Amoskeag was changed from a corporation to a voluntary association. The original organization of 1831, now eighty years old, was replaced by a trust, dated September ²², 1911, which on October 2 took over the assets and business of the corporation, with all of it's equipment, including 670,000 spindles, ^{and} 22,200 cotton ~~and 22,200 worsted~~ looms. Hereafter the management of the affairs of the company was to be under the direction of twelve trustees. Eight of the previous board of directors became trustees and four new members were elected at the annual meeting. The trustees were to serve for three, two and one-year terms as follows; Three years- Charles W. Amory, Theophilus Parsons, Frank P Carpenter, Frederic C. Dumaine; Two years- George Von L. Meyer, ^{Balen} ~~Gayland~~ L. Stone, ^{Philip} ~~Phillip~~ Dexter, William Amory; One year- T. Jefferson Coolidge, George A. Gardner, T. Jefferson Coolidge Jr., George Wigglesworth. ~~The new names in the list were Mr. Stone~~

The four new names in the list were ^{Balen} ~~Gayland~~ L. Stone, ^{Philip} ~~Phillip~~ Dexter, William Amory and T. Jefferson Coolidge Jr. The latter had served previously as a director, in 1908-1909. Mr. Stone was a member of the well-known investment banking firm of Hayden, Stone & Co. ^{Philip} ~~Phillip~~ Dexter was president of the Boston Real Estate Trust, chairman of the executive committee of the Massachusetts Electric Companies, and president of the Boston & Providence Railroad Corporation, as well as director or trustee in several other railroads, trusts and various telephone and telegraph companies. Mr. Amory was treasurer of the Pepperell Manufacturing co.

When the trust was formed Amoskeag's capital stock was increased. It had been generally recognized for many years that the \$5, 760,000 outstanding since 1907 did not fully take into account the expansion of the company's plant and business. The change in capital was really equivalent to a five-for-one split. On the old basis there were 57,600 shares of \$100 par value.

shares followed and they were put to a severe test in the period of general manipulation and speculation

These were increased to 288,000 of no par stock, including 172,800 shares of common and 115,200 shares of $4\frac{1}{2}$ preferred. For each share of the old \$100 dollar stock Amoskeag shareholders received five in the new no par issue, three shares of common and two of preferred. Initial dividends on the new stock were paid January 2, 1912, a semi-annual of ^{2.25}~~2.4~~ on the preferred and a quarterly of 75 cents on the common. This meant that stockholders who formerly had one share of Amoskeag on which dividends ^{at the annual rate} of 12 per cent were paid in 1911 were now receiving payments ~~at the rate~~ of \$18 annually, \$9 on two shares of preferred and the same amount on three shares of common. Quotations on the latter in 1912 ranged from 75 to 84 and on the preferred from 90 $\frac{1}{2}$ to 105, an average of practically \$80 on the former and of approximately \$100 on the latter, or a total market value for five shares of \$440. It will be remembered that the single share which was exchanged for the new stock had sold in recent years from \$285 to \$300, although a high of 350 had been reached in the first half of 1909. The \$18 dividends on the five shares were equivalent to ^a~~the~~ total yield of slightly over 4 per cent.

After the Amoskeag had become a voluntary trust the new balance sheet did not indicate any definite amount of capital stock. In its place an item called "reserves for stockholders" was inserted. In the beginning the amount was \$10,967,000, as noted in the first financial statement presented to stockholders after the reorganization, which compares with that of 1906 as follows:

Comparative Balance Sheets 1911 and 1906

<u>Assets</u>	<u>October 3, 1911</u>	<u>December 31, 1906</u>
Real Estate and Machinery	\$3,000,000	\$3,000,000
Inventory and Stock in Process	2,404,176	4,547,715
Cash and Debts Recievable	5,956,070	4,306,671
Total	\$11,360,246	\$11,854,386
<u>Liabilities</u>		
Reserves for Stockholders	\$10,967,000	.....
*Capital Stock	.....	\$ 5,760,000
Notes Payable	200,000	2,175,000
Reserve for depreciation	.....	500,000
Profit and Loss	71,011	1,451,419
Surplus	122,235	1,967,967
Total	\$11,360,246	\$11,854,386
Net Quick	8,160,246	6,679,386
*Per Share	^{\$4.50} \$30 (\$150)	\$116

*Now 288,000 no par value shares, including 172,800 shares of common and 115,200 shares of 4 $\frac{1}{2}$ preferred. It had been changed from \$5,760,000, or 57,600 shares of \$100 par value, when Amoskeag became a voluntary trust on September, 22, 1911.

When comparing these two balance sheets, it should be kept in mind that in the five ^{years} covered by the fiscal periods from July, 1, 1906 to May 31, 1911 Amoskeag sold cloth valued at 93 million dollars, a total of 964 million yards, including 893 ^{million} cotton and 71 ^{million} worsted, as well as over 7 million bags. Net profits of the company in that period totaled \$4,748,000, of which \$3,917,000 was distributed in dividends. Although the plant is carried in the statement at only \$3,000,000, as compared with a net of \$2,500,000, since 1906 the Cotton Department's equipment had been increased by a 100,000-spindle mill.

To be continued

Added 3rd installment of Amoskeag

F. C. Dumaine sold his Watch stock at \$70. They (Guilden) split ten for one and sold that stock at \$28 - equivalent to \$280 a share. They cut out the Ford speedometers, the escape movements for the Chelsea Clock Company, the pick counters and some other little things that were bread and butter money-makers and began to concentrate on seventeen and nineteen jewel watches.

The plant was in pretty good shape when it was turned over to Guilden. The whole thing had been changed over, rebuilt, and re-equipped for a large ratio of wrist watches. Their inventor, Church, I think his name was, really did some good work which was copied by the Swiss so that Waltham initiated a great improvement in watch-making tools - not initiated by the Swiss. They had more than twenty years' of old jewels on hand when F. C. Dumaine took control; carried in the inventory something like a million dollars, or more - all shoveled out. Guilden immediately increased salaries; put Boucher up to \$50,000 - he had been getting \$18,000, etc., typical of the whole operation.

At Amoskeag they were burning pea coal and said they had to have it.

F. C. D. sent up a trainload of bituminous. The management asked, "What shall we do with it?" The old man said, "Do anything you want to with it. You can throw it in the river if you want to, but if you do you will have to pay for it."

He re-equipped the Amory Mill. It was full of old Lowell cards and mule spinning, and he bought new cards and new spinning and sent them up - somewhat resisted. He built the Coolidge Mill, 100,000 spindles all on one floor - biggest in the world.

Highlights of the first eighty years of Amoskeag history, including the steady expansion of the company's plant until it became the largest textile manufacturing organization of its kind in the world, have already been mentioned. It was in the next five-year period that Amoskeag reached its peak in cloth and bag production and in the number of people employed. Over a billion yards of cotton and worsted cloths and about six million cotton bags were produced and sold from June 1, 1911 to May 31, 1916. The two big cloth-producing years were 1911-1912 and 1913-1914, with outputs of 236 and 235 million yards, respectively. The 1,713,339 bags made in 1915-1916 represented an increase of more than a million since 1911-1912, made possible by the building of a new bag mill. The 1,117,553,404 yards of cloth produced by Amoskeag in the five years included 1,051,393,404 of cotton goods and 66,160,000 of worsteds. Nearly 224 million yards of cotton cloth were woven in 1911-1912. This was the high-point in Amoskeag history. The 14 million yards of worsted produced in 1912-1913 had been exceeded previously in 1909-1910, when over 16 million were woven.

Below are given details of production and sales for the five-year period (1911-1916).

Amoskeag Production and Sales
(June 1, 1911 to May 31, 1916)

Cloth and Bags Produced

Year (ended May 31)	Cotton Cloth (Yards)	Bags (Units)	Worsted (Yards)	Total Cloth (Yards)
1915-1916	188,316,754	1,713,339	12,260,000	200,576,754
1914-1915	200,403,728	1,491,042	13,580,000	213,983,728
1913-1914	221,339,159	1,179,295	13,710,000	235,049,159
1912-1913	217,504,445	823,508	14,090,000	231,594,445
1911-1912	223,829,318	637,306	12,520,000	236,349,318
Five-year Totals	1,051,393,404	5,844,490	66,160,000	1,117,553,404

Cloth and Bags Sold

Year (ended May 31)	Cotton and Worsted Cloth (Yards)	Bags (Units)
1915-1916	201,552,242	1,715,817
1914-1915	217,683,396	1,487,466
1913-1914	229,633,740	1,169,408
1912-1913	231,740,421	864,945
1911-1912	236,024,380	832,970
Five-year Totals	1,116,634,179	6,070,606

The above production figures are from the annual reports for the fiscal years ended May 31. Still larger yardages are indicated in the history of Amoskeag published by the company in 1915. In the "Statistics of 1912", intended to show the volume of Amoskeag business, it is stated that the number of yards of cloth woven per annum was 258,930,360, including 245,221,080 of cotton and 13,709,280 of worsted. This variation in peak yardages is largely due to the fact that the statistics in the book are for the whole of 1912, while those given above include only five months of that year and seven of 1911. The cotton cloth output for twelve months of 1912 was apparently about 20 million yards larger than for 1911-1912, but worsted production was practically the same. Whichever figures are taken, the fact remains that in the five-year period the great textile manufacturing organization at Manchester N. H. produced more yards of cloth than at any previous time in its history and attained a total output that was never again equalled nor even very closely approached.

Production had declined to 200 million yards by 1915-1916, and although it went up to 202.8 million in the following fiscal year, the trend after that was steadily downward, even in the war period when dollar sales were more than doubled. By 1918-1919 Amoskeag was weaving only 143 million yards of cotton and worsted cloths. Gingham suffered most, as they represented at least two-thirds of Amoskeag's cotton cloth output most of the time. In 1912 they equalled about 68 per cent, or around 150 million yards. Inventories of these staple fabrics averaged over 21 million yards in the company's biggest years. Reason for the decline in Amoskeag's gingham business, which twenty years later made up only 14 per cent of a much reduced total cloths output, will be discussed later. It might be noted here that flannels were next to gingham in importance in the company's production and sales and ultimately superseded them. Shirtings, tickings and sheetings represented from 10 to 15 per cent of the Amoskeag output in the big producing years.

Total sales of \$102,751,060 were reported by Amoskeag for the five years 1911-1916. The peak for the period, as noted in the following comparative

income account, was \$21,517,017 in 1912-1913 and the low, \$19,124,682 in 1914-1915. Manufacturing costs ranged from \$20,545,164 to \$17,856,943 in the two fiscal years and totalled \$97,075,788 for the period, resulting in a total operating profit of \$5,675,272. Inventories in the five years showed decreases in three of them and increases in the other two, including \$90,574 in 1912-1913 and \$258,470 in 1913-1914. Total losses were \$462,311 and gains, \$349,044, making net decline in inventory values for the period of \$113,267. There ~~were~~ no reserves for guarantees after the 1911-1912 year, when it was \$113,645. This was the 3 per cent of net sales that had previously been set aside each year for operating income. The net income from 1911 to 1916 of \$5,448,259 averaged 5.3 per cent of sales annually and \$3.52 per share on the common stock. Ninety-five per cent of Amoskeag's income in this period, or \$5,182,325, was distributed in dividends, \$4.25 on the cumulative preferred and \$3 on the common, both no par value issues, leaving a net of \$265,934 to be added to surplus. It will be noted that throughout this period Amoskeag's net earnings continued to be sufficient to provide the usual margin of safety over dividend requirements, except in 1914, when it was necessary to take \$13,913 out of surplus for this purpose.

Amoskeag Income Account
(June 1, 1911 to May 31, 1916)

	<u>1915-1916</u>	<u>1914-1915</u>	<u>1913-1914</u>	<u>1912-1913</u>	<u>1911-1912</u>
Sales	<u>\$20,684,294</u>	<u>\$19,124,682</u>	<u>\$20,658,269</u>	<u>\$21,517,017</u>	<u>\$20,766,793</u>
Net Income	<u>1,179,181</u>	<u>1,079,413</u>	<u>1,022,887</u>	<u>1,062,426</u>	<u>1,104,352</u>
Per Cent of Sales	5.7	5.6	4.9	4.9	5.3
Per Common Share	<u>\$3.82</u>	<u>\$3.25</u>	<u>\$2.92</u>	<u>\$3.21</u>	<u>\$3.39</u>
Dividends	\$ 1,036,800	\$ 1,036,800	\$ 1,036,800	\$ 1,036,743	\$ 1,035,132
Surplus	<u>142,381</u>	<u>42,613</u>	<u>*13,913</u>	<u>25,633</u>	<u>69,220</u>

*Deficit

When it is remembered that Amoskeag's net earnings had been equal to only \$1.40 and \$1.18 per share and income represented only 3½ per cent of sales in 1910 and 1911, a period of a nation-wide depression in cotton goods, the 5.3 per cent mentioned above, including 5.6 and 5.7 per cent in 1915 and 1916, was a very

satisfactory return. However, the company had done still better than that in the fiscal years ended 1906-1909 inclusive, when the average was 6.25 per cent, in spite of the fact that the ratio between net income and sales in the last of the four years was only 4.61. The latter was more than offset by the 6.8 and 7.7 per cent in the banner years of 1907 and 1908. These high ratios were achieved on total dollar business that was very substantially less than the sales reported in 1911-1916 period. Diminishing margins between manufacturing costs and sales was one of Amoskeag's big problems over most of the following years of its history. Through 1914 the relation between the dollar value of net sales and the cost of cotton and coloring materials and direct labor costs continued about the same. Beginning in 1915 the rate of increase in manufacturing costs kept ahead of that for net sales, although war profits, government orders and general inflation did widen the margin temporarily. It was this disproportionate increase in material costs that was responsible for earnings generally going below requirements in the company's Cotton Department in the pre-war period.

In Amoskeag's bookkeeping two-thirds of the overhead was allocated to the Cotton Department, and profits, dividends and surplus were distributed on the same basis. It is worth noting that while in the four years 1906-1909 this department was responsible for \$730,275.48 of the company's accumulated surplus, in the next seven years (1910-1916) there was a net deficit of \$51,992, although for the total period (1906-1916) the department's net contribution to surplus was \$678,284. In the same years the Worsted Department added a total of \$802,462 to the company's surplus. The two together made a total of \$1,480,746. The Worsted Department showed a total surplus of \$510,371 in 1906-1909 and a net of \$292,090 in 1910-1916, after deducting deficits in 1911 and 1912 which were the last until 1920, when there was one of \$706,366. The Cotton Department's contribution to the surplus in the war period 1917-1920 totalled nearly nine million dollars, as will be noted in detail later.

In 1911-1912 Amoskeag's cloth production and sales broke all records for ~~this~~ this company, as previously noted, and in the two fiscal years which preceded the outbreak of the First World War, although production continued at higher levels

than usual, returns^{on} sales were not ~~so~~ satisfactory, largely as the result of generally unsettled conditions in the industry. Following the inauguration of Woodrow Wilson as President in March, 1913, considerable reform legislation was passed, including the Underwood Tariff with substantial reductions in a large number of duties. The lower tariffs resulted in increased imports and a decline in export business. In 1913-1914 when Amoskeag's production was very close to that of the peak year the company failed to sell nearly $5\frac{1}{2}$ million yards of its output and net income wasn't quite enough to cover dividends for the first time in many years. The company's bagging business, however, had been increasing to such an extent that it was decided in 1914 to erect a new mill to replace the inadequate old structure and expand production from 35,000 to 50,000 units a week. In 1913-1914 the total of 1,179,295 bag units produced compared with only 823,508 in the preceding year. In the latter period sales were 41,437 more than output and in spite of the increased production less than 10,000 bags were left unsold on May 31, 1914. The foundation of the new bag mill was laid in the fall of 1914. The three-story structure, ^{which} measured 130 feet and 4 inches by 500 feet 6 inches and included equipment for spinning waste yarn and for weaving bag cloth was completed early the next year. In the fiscal period of 1915-1916 Amoskeag sold 1,715,817 cotton bag units, about 2,500 more than it produced. When the company's annual report was issued in October, 1916 special attention was called to the continued expansion of the ~~bagging~~ department, whose sales had more than doubled in three years largely because of the increased demand for barrack bags. It was stated that the cost of the new mill had been absorbed in the company's accounts without reflection in either property, surplus or capital.

Immediately preceding the outbreak of the First World War the textile industry on account of lower tariffs and generally uncertain conditions was in a far from unsatisfactory position. Amoskeag's entire Worsted Department, except wool sorting and top making, was shut down for a week in mid-October, 1913 and for the first week of November in that year. The company had other difficult problems to solve, as indicated in a statement printed in the "Bulletin", the semi-monthly publication of the Amoskeag Textile Club, in its issue of January

1, 1914, the date when the 55-hour week was legalized in place of the previous 58-hour schedule. Attention was called to the fact that the full wages of the longer week were being retained. The Bulletin's statement follows:

"At this time of nation-wide industrial depression and uncertainty, when securities of all kinds have shrunk to the lowest level seen for years, with the strong possibility that the end is not yet, when the great industries that give the people employment see themselves confronted with a lack of orders and the consequent deplorable necessity of a reduction in their working forces, the action of the Amoskeag Manufacturing Company in keeping the 55-hour weekly wage the same as the 58-hour weekly wage stands out with special significance.

"In the face of a very unsettled gingham and dress goods market, brought about by the reduction in tariff rates by the present administration, reasons were at hand in abundance to keep the hourly rate the same. It means that \$350,000 and \$400,000 more money will be paid to Amoskeag employes each year than would have been paid, and this amount must be lost by the shareholders."

With the declaration of war there was additional evidence of depressed conditions and the mills were closed for several weeks in the summer of 1914. While this action may have forestalled a complete shutdown in the winter of 1914-1915, it did not prevent part-time employment in some of the departments in the fall of 1914. Cotton weaving departments, beginning September 21, had to stop at noon Friday of each week until further notice. In September, 1915 the entire cotton section had to stop work each week on Thursday. That meant a working schedule of 40 hours a week. The average hourly rate for 2 weeks ended October 22, 1915 was 18.34 cents, or \$7.37 for a 40-hour week. In the mechanical departments the comparable figures were 24.06 cents and \$9.62.

A 5 per cent wage advance at the outset of 1916 followed similar announcements by Pacific Mills in Lawrence, Mass. On February 3 there was a return to full-time schedule (55 hours a week) from the 40-hour schedule on Draper looms. This meant increased working time for 1,300 hands. Continued improvement permitted an increased time schedule of 50 hours for all remaining cotton-weaving workers in March, thus giving 3,000 of them an additional day's work. Another

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wage increase of 5 per cent April 19, 1916 was further evidence that war-time prosperity was beginning.

Despite the revival of textile manufacturing in 1916, the Amoskeag's Cotton Department failed to earn its dividend by \$196,000, although the Worsted Department's net income was about twice the amount needed for this purpose. This and previous deficits in the Cotton Department were due, as previously noted, to the ^a disproportionate increase in the cost of cotton and coloring materials, particularly the latter, as a result of decreased imports of aniline dyes and the lack of a strong domestic industry to replace them. These losses were made up several times over in the next two boom years 1917-1918, when much larger profits became possible largely because the company was able to obtain increased prices for its fabrics.

The New England industry was beginning to get its first tangible evidence of war orders for cotton goods by October, 1914. This was a favorable development for Amoskeag's bagging business, but of little help to gingham, the company's bread-and-butter product. By 1915-1916 Amoskeag's sales of cotton cloth had dropped 35½ million below the 1911-1912 peak and the worsted business was 1,830,000 yards less than in the top year 1912-1913. These declines represented nearly 16 per cent and 13 per cent, respectively.

Amoskeag's Worsted Department shared in the war business in the early part of the period, as did other leading producers. Previous to the First ^{World} War the company's Worsted Department was concentrating on low-priced women's tailored gorges. Later its output also included men's wear. Amoskeag's original storm serge business was dropped in the late 20's. This company was among the first worsted mills to introduce multiple weaving. Its war business also included a considerable quantity of worsted yarns. Details of the company's sales in this and other departments from 1917 to 1920 will be given later. In connection with the general situation of worsteds in the five-year period from 1911 to 1916, inclusive, it will be remembered that the United States Worsted, Co., was organized in 1912. Benefits ~~derived~~ by American Woolen from the war continued to be reflected in the company's annual reports. It was stated that its war business,

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including the recently received 7,000,000 order for five million yards for heavy overcoatings from the Russian Government, totalled \$21,000,000 by October, 1915 and was equivalent to 40 per cent of normal annual bookings.

Competition for Amoskeag gingham and other yarn-dyed cotton goods became more intense late in 1915 because of the increasing demand for printed cloths. It was announced in November of that year that Pacific Mills had started to operate its print works at capacity after a year of curtailment and a few days later that it had bought the cloth printing business of the Merrimack Manufacturing Company at Lowell, increasing its equipment from 48 to 71 printing machines. The eventual effect of the competition from printed goods and lower cost gingham manufacturers of the South on Amoskeag's operations is evident from the fact that by 1924 the great Manchester organization was producing only about 130 million yards of cotton cloths, of which 49 per cent, or not quite 64 million yards were gingham, less than half of the top production of these fabrics in the 1911-1916 period.

Changes in the Amoskeag's balance sheet in this five-year period are indicated in the following comparative table:

	Amoskeag Balance Sheet (October 1, 1911-1916)				
	1915-1916	1914-1915	1913-1914	1912-1913	1911-1912
Assets					
Real Estate & Machinery	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
Inventory, Stock	14,876,388	10,594,817	10,664,197	10,617,019	10,787,427
Cash and Debts Receivable					
Total	\$17,876,388	\$13,594,817	\$13,664,197	\$13,617,019	\$13,787,427
Liabilities					
Accounts Payable	\$ 4,840,858	\$ 885,946	\$ 1,128,873	\$ 1,093,612	\$ 1,426,427
*Reserves & Profit & Loss	13,035,530	12,708,871	12,535,324	12,523,407	12,361,000
Total	\$17,876,388	\$ 13,594,817	\$13,664,197	\$13,617,019	\$13,787,427
Net Quick	\$10,035,530	\$ 9,708,871	\$ 9,535,324	\$ 9,523,407	\$ 9,361,000

*Capital Stock consists of 228,000 no par share, including 115,200 shares of \$4.25 preferred and 172,800 shares of Common.

Insert on Page #9 - Third installment of Amoskeag Story

Following the First Paragraph on Page #9, as Follows:

It's interesting to remember that when Treasurer F.C. Dumaine built the new Coolidge Mill it was the largest single under-one-roof cotton mill in the world; 100,000 brand new spindles all on one floor and 3000 brand new Draper automatic looms, all on one floor. When Treasurer Dumaine placed the order for that equipment the machine manufacturer who supplied the carding took the largest single order that he had ever taken in his life, and, on the spinning - 100,000 spindles complete - it was the largest order ever placed at one time for a spinning room.

Amoskeag's real estate and machinery continued to be carried at the nominal value of \$3,000,000 in the balance sheets for the fiscal years 1911-1916. According to the company's method of accounting, additions to plant and equipment were charged to operating expense, and there was no provision for depreciation in its published statements. It will be remembered that expenditures for the 100,000-spindle Coolidge Mill, erected in 1909-1910, and for improvements and expansion in the productive facilities of the Worsted Department in the five-year period ended May 31, 1911 were not reflected in the company's fixed assets values. On the same basis, in the above comparative statements there is no evidence of the fact that Amoskeag's plant was substantially increased in 1914-1915 by the erection of a new cotton bag mill. Presumably the unusually large amount of accounts payable as of May 31, 1916, a total of \$4,840,000, included obligations resulting from bag mill construction expenditures, as well as commitments on purchases of high-priced cotton and wool, dyestuffs, chemicals and other supplies.

In connection with this matter of Amoskeag plant value, it is interesting that the City of Manchester, which in 1911 had assessed Amoskeag properties at \$9,850,000, boosted the valuation to \$17,000,000 in 1912, and by 1916 had further increased it to \$17,538,000. It should be noted, however, that the company's local tax bill, which had been \$200,900 in the earlier year, averaged \$270,560 between 1912 and 1916, with a low of \$255,000 in 1912 and a high of \$288,400 in 1913. Another factor to keep in mind is that the exemption from taxes on the Coolidge Mill was still in effect. Its valuation was probably included in the increased assessment of 1912 and undoubtedly the half-million added in 1916 represented all or a large part of the value of the new bag mill.

Amoskeag's bookkeeping as applied to its plant has sometimes been criticized as misleading, but it was probably less so than in many cases where mills have used the so-called orthodox method of carrying fixed assets at original cost, less accrued depreciation, and without regard to fluctuating replacement values. In the final analysis, what a cotton mill is worth depends to a very great extent

on market conditions and management, and no better example of this fact can be found in textile mill history than in the experience of the Amoskeag.

The increasing amount of money needed for carrying on the business of the mills of the Amoskeag Manufacturing Company is evident from a comparison of the inventory and cash and debts receivable noted in the balance sheets. In the first four years of the period this item averaged about \$10,665,000 and showed only a slight variation from one statement to the next. However, in the balance sheet as of October 1, 1916, quick assets had increased over 4 million dollars from the preceding year, or from \$10,594,817 to \$14,876,388. Current liabilities showed a similar jump, although there was a wider range from year to year. They were as high as \$1,426,427 in 1912 and as low as \$885,946 in 1915. In the 1916 statement accounts payable amounted to \$4,840,858, as previously noted. There was a steady increase in net quick assets from \$9,361,000 in 1911 to \$10,035,530 in 1916, a gain of \$674,530 for the period. In the most recent statement net quick was equal to about \$34.50 a share on the company's 288,000 shares of the two kinds of no par stock. The gain in reserves and profit and loss for the five years was \$674,530, the same amount as the increase in net quick, because of the uniformly nominal amount listed for real estate and machinery.

Amoskeag shares, both preferred and common, yielded about 4.3 per cent on the market value that prevailed from 1911 to 1916, inclusive. High quotations on the preferred were 105 and 109 in 1912 and 1913, respectively, and the lows 90 $\frac{1}{2}$ and 92 $\frac{1}{2}$ in the same years. The average market price for the whole period on the \$4.25 stock was 99. The \$3.00 dividend common reached a high of 84 in 1912, the lows were 57 $\frac{1}{2}$ in 1914 and 59 in 1913 and 1915. The average quotation for the period was 70.

Trends in cotton production and prices in the five years from June 1, 1911 to May 31, 1916 had an important effect on Amoskeag's operations and profits. This applied to all mills operating in that period, of course, but in a tremendous organization like the Amoskeag, the biggest of its kind in the world, the very large quantities of cotton and amounts of money involved in purchasing and carrying this raw material, made long-headed buying policies and adequate

financing all the more vital to the mills' continued profitable operation.

Amoskeag was consuming from 110,000 to 115,000⁶ bales of cotton annually. The closing of the cotton exchange ^{when} created other problems. Manufacturers were deprived of standardized prices and the power to hedge contracts.

The "Statistics of 1912," given in Amoskeag's own history published in 1915, state that the amount of cotton consumed in that year was "54,600,000 pounds per annum", which is equivalent to 109,000 bales. On November 30, 1914, not quite four months' after the outbreak of the First World War, Amoskeag had 31,584 bales of cotton on hand. In the next 6 months 91,213 bales were purchased, making a total of 122,797 bales, of which 57,624 bales were delivered to the mills in the half year, or at an annual rate of over 115,000 bales. That left 65,173 bales on hand May 31, 1915. At the end of the next fiscal period Amoskeag's cotton amounted to 48,133 bales. In the following six months, 68,836 bales were bought, bringing the total available up to 116,973, of which 56,682 bales were delivered to the mills in the half-year, equal to an annual rate of over 113,000 bales. These representative figures are given to illustrate the extent and importance of Amoskeag's cotton transactions, which even at 10 cents a pound involved around six million dollars annually. There was a great responsibility not only on the treasurer and the purchasing department, but also on the manufacturing agent in connection with the proper storage of this valuable raw material and its handling and processing with the least possible waste.

In order to get a better picture of the problems involved in the purchasing of cotton for a manufacturing organization of the size of the Amoskeag, a few figures on the crop yields during this five-year period, may be cited. The 1910-1911 season's harvest had been 11,609,000 bales. In the next four cotton years the crops averaged 14,922,000 bales. The 1912-1913 season was the low of the period, 13,703,000 bales, and the high was 16,135,000 bales in 1914-1915 and the next largest 15,693,000 in 1911-1912 season, which corresponded to the fiscal year in which Amoskeag attained the highest yardage production of cloth in its history. The crop in 1913-1914, when the company's output was nearly equal to that of the period ended May 31, 1912, was slightly more than 14 million bales. After the four years when the cotton crops averaged close to 15 million bales,

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there was another comparatively small yield, about 4 million bales less than the previous average, only 11,192,000, in 1915-1916. When Amoskeag stockholders met in October of the latter year, they were already aware of the prospects for another small crop for 1916-1917, which eventually proved to be 11,450,000 bales.

Cotton prices in Amoskeag's big year, when the cotton crop was 4 million bales larger than in the preceding season averaged 11.30 cents. There was a decline of 4.20 cents, from 13.40 to 9.20 cents, in the 1911-1912 season. When the crop was smaller the next year prices went back to a high of 13.40. The range in 1913-1914, Amoskeag's second ^{best} production year, was from 11.90 to 14.50. In 1914-1915 when the crop reached 16 million bales, prices ranged from 10.60 down to 7.25 cents. With an 11 million-bale crop the next year prices went up to 13.45 cents. On May 31, 1915 Amoskeag had about 66,000 bales on hand at 9½ cents. There was a 4.20 range in cotton prices in 1911-1912. In 1915-1916 it was 4.25. In the years in between the annual fluctuation was from 2.60 in 1913-1914 to 3.35 in 1914-1915. The low price for cotton in 1911-1912, 9.20 cents, was the same as in 1915-1916. In the five-year period cotton prices had ranged from 7.25 to 14.50. The average ~~for the five years~~ was 11.51 cents, ^{with} a low of 8.93 in 1914-1915 and high of 14.50 in 1913-1914. But the 4-cent fluctuations previously noted in this period were very small as compared with the 14.30 range in the 1916-1917 season, when prices climbed from 13.35 to 27.65. This marked the end of the low priced cotton for a number of years. It was in October, 1916 that prices really began to climb fast. In 1913 the average actual price for cotton was 12.8 cents. In 1916 it went from 12.4 to 13 in July and then to 18.1 in October. These fluctuations illustrate the problems in cotton buying and also the possible profit advantages, ^{in low demand} if purchases were made at the right ^{in wrong} times.

It was in ~~the~~ period beginning in 1914 and 1915 that George H. McFadden was the most important factor in the cotton trade. He controlled a good part of the domestic cotton business of New York, Liverpool and Manchester, England, through his house of George H. McFadden & Bro. of Philadelphia. George H. was a silent forceful personality. From his headquarters in Quakerville he ruled the cash trade in the world's cotton markets as absolutely as if he had personally

raised every pound of it produced in the Land of Dixie. Eugene Scoles, well known as a cotton plunger and all-round speculator, was in the saddle again in 1915. It was reported that he later made "a barrel of money" as the result of the great rise in cotton in the following year.

Increasing prices for cotton soon began to be reflected in constantly advancing quotations on fabrics and widening of margins between raw materials and cloth prices. The margins on standard construction gray cloths from 1910 to 1915 ranged from 10 to 12 cents. By November 1916, with the rising market, the spread had reached 20 cents, by 1917 it was 26 cents and by August, 1918, 47 cents. The average yearly prices on the kinds of fabrics produced by Amoskeag in the pre-war period 1911-1912 with those of 1916, when all prices started the upward trend that was not to end until 1920, should be of special interest. Average quotations on 2.20 denims increased from 11.485 cents to 18.714; 5.00 fine chambray from 6.916 to 9.140; Eastern staple gingham from 6.194 to 7.244; 8 oz. ticking from 13.138 to 16.454 and 10/4 bleached wide sheeting (class A) from 25.857 to 31.585. It will be noted that gingham Amoskeag's chief product advanced about 17 per cent, but the average price of cotton, which in 1913 was 12.8 had by October 1916 climbed to 18.1, or 41 per cent.

Wool buying was also an important factor in Amoskeag's successful operations. The company used 15,300,000 pounds in 1912, according to the company's own history. The average actual price for wool in 1913 was 47.1 cents. By January, 1916, quotations on wool had climbed to 64.3 cents. On May 31, 1916 when prices averaged 68.2 cents the Amoskeag had 10,286,656 pounds of wool, which it valued at 46.17 cents. At the same time the company had 1,159,130 pounds of tops. The wool Amoskeag had at the end of the 1915-1916 year was inventoried at about \$4,150,000, compared with the actual value of over \$7,000,000 on the basis of the average price current at that time.

The board of trustees of Amoskeag at the beginning of the 1911-1916 period comprised the same members as at the time of re-organization in October of the former year. Their names, including Treasurer Frederic C. Dumaine, have been previously given. Three new trustees were elected following the deaths of

T. Jefferson Coolidge, Jr. at 49, on April 14, 1912; Charles W. Amory, November 5, 1913, aged 71, and Theophilus Parsons, at the age of 66, on January 4, 1916. Mr. Amory had been a director and trustee for 24 years, served as treasurer for 7 years, just before Mr. Dumaine's election to that office in 1905, and was president for one year after the reorganization, to December 23, 1912, when he resigned because of ill health. He had been associated with the company for more than 30 years. Mr. Coolidge, Jr., founder of the Old Colony Trust Company, was a director in 1908-1909, when he was elected to succeed Henry F. Sears, and had served as a trustee since the company had been changed from a corporation to a voluntary trust. Mr. Parsons became a director in 1910, was later included among the trustees and elected president in 1912, to succeed Charles W. Amory, serving in office until his death.

One of the new trustees was Charles E. Cotting, an investment banker associated with the firm of Lee, Higginson & Company. He was a director of the Old Colony Trust Company and trustee in various real estate, building and other trusts. Alvah W. Sulloway of Franklin N.H., who had been associated with hosiery manufacturing for more than 40 years and was the president and treasurer and founder of the well known Sulloway Mills, one of the first mills in the United States to make full-fashioned hosiery, was the next new trustee. Mr. Sulloway was also president of the Mayo Knitting Machine and Needle Company, which he had organized. He was president of the Franklin National Bank and the Franklin Savings Bank, which he organized, president of several local railroads and director of the Monadnock Mills of Claremont, N.H., as well as a member of the New Hampshire legislature for several years, serving in both branches.

The third new member of the board was Charles Francis Adams, lawyer and trustee, who at the time was treasurer of Harvard College, a post he held for many years. Mr. Adams had previously served as mayor of Quincy, Mass., for several terms and afterwards continued to be interested in the civic affairs of that city, as members of his famous family had been for generations, including the two presidents of the United States. To many Charles Francis Adams was known as an expert yachtsman and as the winning skipper of the "Defender" in international competition. It will be remembered that he later served as Secretary of

the Navy in the Coolidge Administration. In recent years Mr. Adams has been prominent in the banking field in Boston, including chairmanship of the Board of the State Street Trust Company, and for his leadership in Community Drives. While trustee of the Amoskeag Mr. Adams was also vice-president of the Electric Corporation and director of the Old Colony Railroad, Old Colony Trust Company and Boston Consolidated Gas Company. He was Vice-president of the Provident Institute of Savings and a trustee of the Massachusetts Gas Companies and the Boston Real Estate Trust.

Following the death of Mr. Parsons in 1916, George Wigglesworth was chosen president. He had served continuously as director and trustee since 1901. The oldest member of the board ^{was} T. Jefferson Coolidge, whose life period up to this time was practically identical to that of the company, as he had been born August 26, 1831. He had served as director since 1866, as treasurer for several terms beginning 1876 and ending 1898, and as president for 10 years to 1911. He resigned then, shortly after his eightieth birthday, but continued an active member of the board of trustees throughout the 1911-1916 period. This grand old man, who had played so important a part in Amoskeag history for more than fifty years, did not terminate his association with the company until four years later. He died in 1920 at the age of 89. The Jefferson Mill, which was built while he was treasurer, and the Coolidge Mill, named in his honor by Treasurer F. C. Dumaine, his friend and close associate for forty years, were two memorials to his long and able service to the company.

Treasurer Dumaine's interests outside of the Amoskeag at this time included the Boston & Maine Railroad. He had been a director since 1908 and from 1909 to 1914 was a member of the executive committee. He continued to serve as a director of the American Trust Company and Old Colony Trust Company since his election to the boards in 1906 and 1908. He was a director of the National Shawmut Bank from 1914 to 1916. In the latter year he was elected to the board of the Boston Manufacturers Mutual Fire Insurance Company. His service in textile industry organizations included the Arkwright Club, of which he was president from 1910 to 1918 and the National Association of Wool Manufacturers, in which he was a director from 1911 to 1929.

Amoskeag Manuscript Third Installment, Page #16, Third Line, Insert:

From its very beginning the Amoskeag had always sold through commission houses - the old, established orthodox New England method. Treasurer Dumaine discovered that selling direct under his own oversight would save something close to \$300,000 a year for the company and its shareholders as a direct saving; and, that under his own sales management he would do away with the extra brokerage that was paid through commission house practices, and, perhaps most important of all, very widely increase the distribution of Amoskeag fabrics. Amoskeag, in this turn to direct sales, was the first of the New England colored goods mills to give up the commission house method and to sell direct to jobbers, garment manufacturers, mail order houses, and to the other new factors of distribution that had grown up in the industry within the then recent years.

Under the direction of Treasurer Dumaine, Amoskeag had been selling its own goods since January 1, 1910 and sales in the five years from June 1, 1911 to May 31, 1916 totaled close to one hundred and three million dollars. During the first part of this period the company's agent in its New York selling office was Walter L. Wellington. When Mr. Wellington died July 15, 1914, he was succeeded by David W. Jarvis and William S Prankard, as Jarvis & Prankard. In 1917 another change took place in the New York office. Mr. Jarvis continued, but under the title of Jarvis, Loomis & Boucher. Mr. Boucher of the new agency had previously been in charge of local sales, which in 1914 and 15 were very substantially increased. He had started in 1904 as clerk in the general office of the Manchester Print Works while Mr. Dumaine was treasurer, but two years later was placed in charge of Amoskeag's Worsted Department^{office}. He was transferred to the company's important purchasing department in the main office ~~of the company~~ in 1907, and in 1911 was sent to the treasurer's office in Boston as purchasing agent. In November, 1914, Mr Boucher was put in charge of the entire purchasing department, both in Boston and Manchester. It was shortly afterwards that the local sales department was added to Mr. Boucher's other duties. When he became a member of the company's selling office he already had ten years experience in the purchasing of materials and supplies for Amoskeag mills as well as the two or three years of local sales experience.

The manufacturing operations of Amoskeag at Manchester, N.H. continued through 1911-1916 under the able direction of Agent Herman F. Straw and his son, W. Parker Straw, whose title was superintendent although he was really an assistant agent. The company's very extensive operating organization included more than twenty divisional superintendents and assistants and over one hundred foremen and overseers. The Amoskeag history gives a complete list of the operating executives in 1912, which includes the following superintendents and assistant superintendents:

Perry H. Dow, Superintendent of Land and Water Power; John W. Rowley, Paymaster; William K. Robbins, Superintendent of Dyeing; John C. Marshall, Superintendent of Worsted Manufacture; Howard I Russell, Superintendent of Carding;

Winthrop Parker, Superintendent of Spinning; Forrester E. Jewett, Superintendent of Dressing; C. Maurice Baker, Superintendent of Weaving; Ralph S. Nelson, Superintendent of Cloth Finishing; Alfred K. Hobbs, Claim Agent; Alphonso H. Sanborn, Chief Draughtsman; Frank L. Clarke, Chief Electrical Engineer; Herman E. Thompson, Superintendent Mechanical Department; Walter G. Diman, Superintendent Steam Power Department; George A. Greenough, Assistant Paymaster; Arthur O. Roberts, Assistant Superintendent Worsted Manufacture; Albert Merrill, Assistant Electrical Engineer; Miles R. Moffatt, Assistant Superintendent of Dyeing; Fred M. Caswell, In Charge of Planning Department; William C. Swallow, In Charge of Employment Department; Henry W. Allen, Civil Engineer; Isreal Boucher, Purchasing Agent; John M. Kendall, Assistant Superintendent Power Department.

The 1912 list of "Officials" gives the names of 27 foremen and 81 overseers, or a total of 108. There was an Association of Overseers. In 1916, it had 105 members. The 17 foremen in the mechanical departments in 1912 included despatching, principal types of machinery and repairs, foundry, belting, roll covering, bolts and nuts, sheet metal and plumbing, blacksmith, boiler making, pipe shops, as well as millwright, painting and mason departments. In the power department there was a foreman of water wheels and three in charge of the Northern Division Power Station and the Southern and Central Division Boiler Houses, four in all. The electrical and Yard Departments each had three foremen, for the three divisions. There were 22 carding, spinning, dressing and weaving overseers in the Northern Division, four for the Jefferson Mill, three for the Bag Mill, five for the Amory Mill, four for Nos. 1 and 2 Langdon Mills and six for the Coolidge Mill (four weaving, two each in Northern and Southern-upper and lower). The twenty-three overseers in the Central Division included 26 carding, spinning, drawing and weaving overseers and also the overseers of the designing department, fancy cotton dye house, blue cotton dyehouse, harness room, cotton waste house and the Captain of the night watch. There were twenty-six overseers listed for the Southern Division, most of them in worsted manufacturing, including wool sorting, carding, combing, drawing, spinning, twisting, dressing, weaving, harness room, worsted dye house and wet finishing department, as well as gingham bleaching and washing, the supply department, laboratory and printing office.

In the period between 1911 and 1916 Amoskeag was operating between 660,000 and 670,000 spindles and up to 24,400 looms, including 50,000 spindles and 1700

to 2200 looms in the Worsted Division, which also had about 45 combs and dyeing, finishing and carbonizing equipment for the manufacture of dress goods and other worsted fabrics. The company's very extensive cotton textile processing layout consisted of machinery for bleaching, dyeing raw stock, yarns and piece goods, and finishing. Gingham, denims, tickings and other colored yarn fabrics continued to constitute the bulk of the yardage in the Cotton Division, although napped goods, sheetings and bags were also produced in substantial quantities. During this period when Amoskeag was making only slight changes in its total equipment, Riverside and Dan ^{River} Cotton Mills in Virginia, an increasingly important competitor in the colored yarn goods market, was doubling the number of its spindles.

In addition to its standard fabrics, Amoskeag was producing during this period a number of special cloths. Among them were clearer and roller cloths. There was a 63-inch 1.50 yard worsted finishing lapping and a 61-inch 1.61-yard so-called vacuum machine blanket. It took five 75-yard pieces of the latter, which also came in 63-inch widths, to make lapping for a Gessner semi-decating machine. Amoskeag also made a 27-inch 2.17 napped *fabrie* for clearer cloth, a 28-inch 2.01 roll covering cloth and a 27-inch 3.27 *fabrie* for scavenger rolls. Forty-eight inch 12.8 and 18.18-ounce duck was woven for some bag stock. Barrack bags 20.25 inches wide were made from 16-inch duck. Amoskeag also produced a 37-inch legging cloth, a 32½-inch 2.24 awning *fabrie* and curtain cloths from 32½ to 39 inches in width in 4.50, 3.95 and 3.54 weights, respectively. Their special fabrics also included wiping cloths for the Ford Motor Company.

An important factor in the operation of Amoskeag's many mills was of course its extensive and flexible power equipment. A total of 36,000 horsepower was required to run all of the company's machinery. This was divided from time to time among water wheels, engines, steam turbines and electric motors, according to varying conditions. Amoskeag, however, had the capacity for generating much more horsepower than was normally needed at any one time. The equipment installed in 1912 was able to produce 52,787 horsepower. This had been increased to 58,068 horsepower by 1915.

In 1912 Amoskeag's power equipment comprised 31 turbine water wheels, 203 boilers, 12 steam engines, 4 steam turbines, 80 electric generators and 370 motors with 30,000 rated horsepower. By 1915 there was one less water wheel, 185 boilers compared with 203, no change in the number of steam engines, one more steam turbine, 14 alternating current generators instead of the 80 generators of three years before, and 583 electric motors with 27,702 rated horsepower, an increase of 213 motors with slightly less horsepower, the larger number probably being due to more individual installations.

Peak employment of 16,070 was reached at Amoskeag in 1914. It was on January 1 of this year that the 55-hour law became effective in New Hampshire. Well over half of the industrial workers in Manchester were in the employ of the Amoskeag during the early part of this period. Later with the growth of that city commercially and industrially in fields other than textiles, the company's position in the labor market became somewhat weakened, a development which created increasingly difficult problems for Amoskeag. There were about 15,500 employees on the payroll in 1912 and 1915, but the number was down to about 13,600 in 1913. During most of this period close to 15,000 operatives were being employed. The annual payroll ranged between seven and eight million dollars. From its organization in 1831 to 1916 the company paid out between 150 and 160 million dollars in wages.

Amoskeag had always had a continuing interest in providing the best possible working and living conditions for its employees and their families. Brick tenement houses were built, boarding houses established and helpful facilities and services provided for them. Employment in the Amoskeag mills was a lifetime job for one or more members of a family from generation to generation, usually beginning for boys and girls on a part-time basis and during school vacations. Company employees represented a great big community which contributed very substantially to the growth of Manchester and played an important part in the civic and social activities of the city. This had been the

situation for many years before 1910 and 1911 and Amoskeag continued for a long time after to be the most important factor in Manchester's industrial and commercial life, but the picture was now gradually beginning to change. The company had to make still greater efforts to obtain its proper share of the available labor supply in Manchester. Its long established policies for employee welfare had to be reemphasized and expanded to meet the new conditions, so that relations between the management and workers could be continued on the most cordial basis possible and labor turnover ~~be~~ reduced to a minimum. It was under the able leadership of Superintendent W. Parker Straw that the program for improved employee relations was initiated and carried out. The organization of the Amoskeag Textile Club in 1910 to provide more recreational, educational and social activities for company employees, the establishment of an employment department in 1911 in a new brick building, and the beginning in the same year of a very comprehensive program for helping to improve the health and general welfare of employees and their children, will be referred to later.

Amoskeag in 1911 was already making systematic attempts to reduce its manufacturing costs because of diminishing margins. A time-study unit was created and the hiring and discharge of workers was centralized in the employment office through a new system of personnel records. The labor trouble in Lawrence, Mass., in 1911 aroused some sympathy for the strikers among Manchester workers and the company made every possible effort to insulate its own organization against the effects of that strike. Although its ~~own~~ business outlook was not a rosy one at the time, Amoskeag advanced wages 5 per cent. This was on March 11, three days before the termination of the Lawrence strike. In spite of this the Manchester company had to contend with some unrest and sporadic outbursts toward the end of the month. The stoppages were short-lived. But the workers who had stayed away from their machines did not return until April 12, after the company had announced an additional wage increase to all operatives, which with the previous increase restored the 10 per cent cut of 1908. Probably it was partly to in order to counteract any sympathy for trade unions that might have been engendered by the successful Lawrence strike that the company began to accelerate the

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expansion of its welfare program, including the construction of a well-equipped playground in April, 1911 and the incorporation of the enlarged Textile Club in the following year. The company's efforts were apparently well advised, because it wasn't until 1918 that unionism was able to gain a foothold among its employees.

The Amoskeag Textile Club was an important factor in bringing about a better understanding between the company's management and employees. The idea of such an organization had been talked of for several years before it took definite form at a company outing held August 13, 1910 at Hampton Beach, N.H., when the first officers were elected. Superintendent W. Parker Straw, who played an important role in the development of improved employee relations, was chosen president of the Club. Increased membership and broadened activities led to the incorporation of the Club June 28, 1912. Membership previously had been restricted to superintendents, overseers and others in supervising positions but it was now opened to all Amoskeag employees. At this time membership was over 400, but by 1916 it had increased to 1,625.

The objects of the organization were set forth in the articles of incorporation as follows: "To advance the acquaintanceship of the employees of the Amoskeag Manufacturing Company with each other; to provide social recreation and amusement for its members; to promote athletics and healthy sports; to purchase, lease and otherwise acquire, deal in, and otherwise dispose of, any and all real and personal estate and other property and things whatsoever deemed necessary or convenient for the prosecution and carrying on of the business of the corporation, and the carrying out of the objects for which it is established, and to have and to exercise all the rights, powers and privileges appertaining to corporations under the general laws of New Hampshire." To carry out these objectives the Club not only had officers, a board of governors and a board of directors, but also eleven different committees, including finance, athletic, lands and buildings, membership, entertainment, gun club, agricultural, educational and welfare work, ways and means, music and ~~Boy Scouts~~. Dues of \$2.00 a year were insufficient to finance this varied program, but additional funds were made available when the Club, in the summer of 1912, was allowed to take over the Amoskeag

store on Canal Street to sell remnants and imperfect cotton and worsted goods, bought from the mills at cost and disposed of at less than retail prices, leaving enough profit to provide income for carrying on the Club activities. There was only one place in Manchester large enough for the Club's annual meetings and suppers. This was St. Cecilia Hall. Eventually the organization had a real club house. This was made possible by the renovation of the old gothic-like public library, located opposite where the Carpenter Hotel now stands, when Frank P. Carpenter, one of the Amoskeag trustees, presented the city with a new library as a memorial to his wife.

In order to convey to its large and increasing membership the varied work of the Club, it was decided to publish a semi-monthly paper, which was called the Amoskeag Bulletin. The first issue appeared December 2, 1912, with William B. McKay, head of the company's printing department, as editor. Amoskeag at that time had one of the biggest printing plants in the country with unusual facilities for keeping workers posted on mill and employe activities and the company's welfare program. The Bulletin had an important influence on Amoskeag affairs and served as a useful liaison between workers and management for about ten years upto 1922, when the long strike took place and with it diminishing interest in the Textile Club.

The Textile Club's educational activities included a Textile School. Amoskeag had always employed a high class of labor and a large number took advantage of the textile courses and practical technical instruction that were announced toward the end of 1912. A suitable building with modern equipment and competent instructors were furnished for the benefit of those who wished to take International Correspondence School courses. This combination of practical and technical knowledge was made available without expense to employes, provided they were still in the employ of the company six months after the completion of their courses. There were also classes for other employes or their parents in domestic science, including cooking, sewing and millinery. By 1915 the curriculum of the Textile Club School included mechanical drawing, Shorthand, typewriting, mathematics, automobile instruction and practical weaving. Other educational facilities

included a reading room with magazines and books of all kinds and later a regular library maintained in the Textile Club House. It sponsored glee club singing and a dramatic society. Speakers as well as musical comedies and concerts were presented.

The recreational activities sponsored and directed by the Club were broadened when it secured from the company in December, 1912, the control of Varick Park, part of the former circus grounds near Union Station, for the use of its members and changed the name to Textile Field. Extensive alterations and improvements were made, including the erection of a new stadium. The completely remodelled Textile Field, ~~now~~ one of the largest and finest in New England outside of Boston, was dedicated September 8, 1913 with a full day of festivities. A special feature was a ball game between the Red Sox and an all-star team picked from Manchester's local manufacturers' league. Fourteen thousand people witnessed the different events of the program. The grandstand and bleachers had seating capacity of 5,600 and additional space was available to accommodate 5,000 to 6,000 more persons with comfort for track meets of football games, and in case of an extra demand, such as the dedication, an even larger number than this. It wasn't long before the Amoskeag Textile Club-sponsored baseball and other athletic teams were making records which continued to attract the attention of sporting circles not only in Manchester but also throughout New England. The Club also organized a bowling league with players representing different departments of the mill. Other types of recreation sponsored included a gun club, picnic grounds and summer houses made available at \$3.50 a week rental. The Club's annual activities included a field day every summer, a banquet every winter and various exhibitions in the fall in which workers participated. Employees of the Amoskeag also enjoyed the facilities of a Country Club on the west side of the Murrumbidgee, with a fine clubhouse, a nine-hole golf course, and a baseball field, all available on a low-cost price plan membership.

An Amoskeag Lady Clerks Club was formed October 31, 1910, at a banquet held at Riverside Inn, Hooksett, N.H. This was reorganized on January 6, 1913 along broader lines and its name changed to the Amoskeag Women's Textile Club. In the

next two years its membership grew to 400 women, who carried on many activities for the entertainment and welfare of the members and their families and of the Amoskeag community in general. One of its annual *functions* was a Christmas party for more than one thousand children of the company's operatives.

The children's playground was equipped with *gymnastic* apparatus, swimming pool, running track, baseball diamond and football field. A large portion of the playground was flooded during the winter months for skating and in the summer there were free band concerts. At all times the playground was in charge of a competent caretaker, who watched, instructed and assisted the children in any way that seemed necessary or advisable. Boys were sent to camp in the summer on Amoskeag property. Four complete troops of boy scouts were organized. Gardening by children as well as adults was encouraged, particularly during the war.

Amoskeag established an accident department in one part of the new employment building. From the time of its organization the company had continued to have a special interest in the welfare of its employes and to take practical steps to help improve their general health and living conditions. The new accident department was equipped to handle all minor injuries. A competent surgeon and trained nurse were in constant attendance in the hospital ward. A second trained nurse was available for *duty* among families where there was sickness. Services were given without charge to any who called on her for advice or instruction in the care and proper feeding of infants. She presided at meetings of mothers where the subject of infant hygiene was intelligently explained. A woman capable of doing general housework was on call for families burdened with sickness. The free services of a competent dentist were available to employes' children under 14 years of age, assuring them that their teeth would receive proper treatment at this important period. There were over 100 first-aid stations throughout the plant.

There were many evidences of the scrupulous attention that Amoskeag gave to the maintenance of safe and sanitary conditions under which its operatives worked. For example, the company paid no less than \$100,000 annually in keeping

floors clean, on the basis that environment of operatives was bound to reflect itself in the quality of their work. The extent of this job may be appreciated when it is remembered that the mills of Amoskeag had 5,844,340 square feet, or 137 acres of floor space in 1912, which by 1915 had been increased to 6,360,078 square feet, or 146 acres.

Throughout its corporate history Amoskeag had shown a continued interest in providing proper and adequate housing ~~for~~ its employees. A plan to aid workers to build houses of their own was put into effect March 18, 1912. The company offered to sell and deed to workers of five-years' standing 50x100 feet lots in the area between Coolidge Avenue and Rock Rimmon on the west bank of the River. It agreed to accept first and second mortgages, each for one-half of the purchase price, without interest as long as the mortgagee remained in the employ of Amoskeag. At the end of five years, if the worker was still with the company and in occupancy, the second mortgage would be surrendered to him for a consideration of \$1, and at the end of ten years under the same conditions the first mortgage would be cancelled, also for a nominal payment of that amount. In case of death the property would go to the heirs of the employe, but the rights could not be transferred without the consent of the company. If during the period the employe should borrow at the Savings Bank, the company would arrange to give the bank first lien on the property. Although there are no available figures to show how many employes were willing or able to take advantage of this offer and as to its effect on labor turnover, it is a fact that the opportunity was open to them until all the land intended for this purpose had been allotted. Rock Rimmon itself, that picturesque land mark famed for its natural beauty, had previously become part of Rimmon Park, a 42 or 43-acre tract that Amoskeag had donated to the city on February 6, 1912. Smaller parks throughout Manchester were nearly all gifts from Amoskeag, which originally owned the land.

Pensions for employes were started at Amoskeag in January, 1913. According to the plan the mill agent recommended aged workers with a long service record for a pension grant with the approval of the board of trustees. Once approval was forthcoming monthly payments were made until death of the pensioner, although

board could and did alter the amount of the monthly stipend at will.

The first to receive this benefit was an overseer who had been in the company's service for 30 years. The monthly grant was \$40. By the end of the year five additional pensions were granted to overseers and two others were added to the list in 1915. It wasn't until March, 1915 that eligibility for pensioners was extended to include wage earners of long service, three of whom were pensioned at \$20 a month on that date. This came to be the usual monthly grant for wage earners. In the course of the year 1916, the number of pensioners was increased from 11 to 40, at a monthly cost of \$710. Thereafter the pension list was added to more rapidly. The total cost in 1916 was \$2,750 and by 1922 annual expenditures of \$27,280 had been reached. This was the year of the long disastrous strike. After October 1923, only one pension was added to the list, but payments were continued to those previously pensioned until they were removed by death. Fourteen pensioners were on the list when payments ceased in 1936. Amoskeag trustees approved grants for 147 workers in all. Only two pensioners had been employed with Amoskeag for less than 30 years. Nearly one-fifth of the total (19.2 per cent) had been *associated with* the ^(company for) 30 to 39 years and more than a third (35.6 per cent) ^{had a} minimum *association* of 50 years. At the time of pensioning 43.8 per cent of the employes had been with the company 40 to 49 years.

(The next instalment will cover the fiscal years 1916-1921)

in 1918-1919, the year of the largest income, production reached the low point of 143.2 million yards. In 1919-1920, when the dollar sales were highest, there was an increase to 160.6 million yards, but the beginning of the postwar depression brought it down to 147.5 million in 1920-1921.

In one discussion of the trends in production, which appeared at the time of the company's 1921 report, it was stated that it had averaged 216,815,412 yards in 1913-1917, but in the next four fiscal years ranged from 66 to 79 per cent of that total, an average of about 72 per cent. The percentages for each year were 79 for 1918, 66 for 1919, 74 for 1920, and 68 for 1921.

The output of bags decreased more than 35 per cent in 1916-1921, only 3,774,034 units being produced. The peak had been 5,844,490 in 1911-1916, with high and low of 1,715,817 and 832,970. The big years in the manufacture of bags in the more recent period were the same as those for cloth, when they averaged about 1.2 million units and included good-sized quantities of barracks or bunk bags. In 1918-1920 they were producing only 647 thousand bags annually and in the following year output went down to the extreme low of 82,114 units.

the bag sales and
In the years 1911-1916 production of cloth exceeded that sold by 819,225 yards, although bag sales were greater by 226,516 units than the output. In the current five-year period the company sold 6,286,862 more yards of cotton and worsted cloth and 12,284 more bags than it produced. The total sales of 831,999,023 yards and 3,786,318 bags, compared with 1,116,634,179 and 6,070,606 in the preceding period.

Cotton cloth production during the years 1916-1921 averaged about 156 million yards annually. Ginghams and similar colored yarn fabrics represented about 60 per cent of the total, or from 90 to 95 million yards; flannels, 25 to 30 per cent, approximately 40 to 45 million yards and sheetings, towelings and tickings, 10 to 15 per cent, between 15 and 20 million yards. At the peak Amoskeag had about 15,000 looms on ginghams. In the more recent years the *loomer* operating on these goods ranged from 10,000 to 12,000. There were about 4500 looms on flannels, 3500 on fancy narrow fabrics and 1000 on 76 and GB bleached sheetings, and the balance on towelings, tickings and special cloths. Good quan-

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Amoskeag History
(June 1, 1916 to May 31, 1921)

More new records were made in 1916-1921. It was in this period, which included the United States participation in the First World War, that the company reported the highest dollar sales and profits and paid out the largest amounts in dividends and wages in its history. The yardage of cotton and worsted cloth produced was, however, not quite three-fourths as much as in the preceding five years. Figures on production and sales are presented in the accompanying tables.

Amoskeag Production and Sales
(June 1, 1916 to May 31, 1921)

Cloth and Bags Produced

<u>Year</u> (Ended May 31)	<u>Cotton Cloth</u> (Yards)	<u>Bags</u> (Units)	<u>Worsted</u> (Yards)	<u>Total Cloths</u> (Yards)
1920-1921	143,598,074	11,754	3,950,000	147,548,074
1919-1920	150,636,549	700,995	9,930,000	160,566,549
1918-1919	136,039,122	630,848	7,170,000	143,209,122
1917-1918	159,815,440	1,227,102	11,700,000	171,515,440
1916-1917	188,772,976	1,203,335	14,100,000	202,872,976
Five-Year Totals	778,862,161	3,774,034	46,850,000	825,712,161

Cloth and Bags Sold

<u>Year</u> (Ended May 31)	<u>Cotton and Worsted Cloth</u> (Yards)	<u>Bags</u> (Units)
1920-1921	146,934,297	82,114
1919-1920	161,450,504	662,735
1918-1919	139,696,222	632,048
1917-1918	183,694,347	1,199,868
1916-1917	200,223,653	1,209,553
Five-Year Totals	831,999,023	3,786,318

The 825,712,161 yards of cotton and worsted cloth woven in 1916-1921 were nearly 292 million, or slightly more than 26 per cent, less than the total of 1,117,553,404 for 1911-1916. They included about 778.8 million yards of cotton and 44.8 million yards of worsted goods, compared with more than a billion and over 66 million yards produced in the preceding five years. The declines in cottons and worsteds were about 26 and 29 per cent, respectively. After producing nearly 203 million yards of cloth in 1916-1917, the output went down to 171.5 million in the next fiscal year, when its war business was at the peak, and

ties of the GB's, a Langdon Mills product, were made into buffer cloth at one time. In the latter part of the 1916-1921 period Jefferson Mill production was practically all on tickings, with a few looms on denims. Chain dyeing of the yarns for these fabrics had been discontinued with the installation of three 8-beam Delhanty machines, one of the first of its kind. Chambrays, including the famous Invincible, had an indigo-dyed warp with filling largely of light pastel mixtures, chiefly whites and blues. Mixed fillings and selvage threads of different colors were well known features of Amoskeag fabrics, made possible by the well equipped bleaching and dyeing facilities and expert yarn and cloth processing personnel.

There was also a good crash and towelling business. In the early years Woolworth was its only customer. It later sold very large quantities to Sears, Roebuck, including a 26s warp fabric with waste yarn filling woven on a multiple-loom basis, then bleached and cut into towels with tape band to make a product that would sell at low prices. The 17-inch glass toweling with fancy borders was a 1100-loom business at one time. The acquisition of the Stark Mills in 1922 and the long strike in the same year changed the towelling picture to a certain extent. Amoskeag's output also included tapes and bands, generally ranging from 5/8 to 2 inches, but some were as much as 18 inches wide. The weights varied from 12.50 to 48 yards to the pound and included twister tape bands for the bag mill.

The complete list of the company's standard cotton fabrics given in their price lists at this time included the following:

Among the tickings were Amoskeag ACA 4/4, ACA and ACA 28-inch and Pearl River. Fancy tickings were marked Amoskeag C, X, XX, and XXX. Bleached 4/4 sheetings included Langdon 76's and GB's and Diamond A. Next in the list came Amory Cambric and Hail Columbia.

The cloths numbered 1101, 1301, 1501 and 1701 were followed by 901 cloth, Amoskeag Domet (36-inch), Fleecedown (36-inch), 1501 cloth plain, Daisy Cloth (36-inch), 2701 and 1921 Cloths, Symrna Cloth, Teazledown and Pamela, Tacuna

Ponceta, Trinada, Panola, Tunis and Iris cloths and Fleece-down, 1921 Cloth Plain, Clover Cloth and Daisy Cloth.

After Amoskeag staple gingham were listed Amoskeag Three-Star, Utility Dress and AFC gingham. There were also Amoskeag Seersucker and XX Seersucker.

Completing the price list were Amoskeag Bookfold Chambray and Bookfold Maybourne Madras; Amoskeag Romper and Aladdin Cloths; 19000 Range, Amoskeag Fine Gingham and Invincible Suiting.

During the First World War, particularly in 1918, Amoskeag's cotton manufacturing equipment of over 600,000 spindles and more than 20,000 looms, was occupied with an increasing amount of Government orders for fabrics for uniforms, other clothing items and barracks bags. Government fixed prices on cotton yarn and cloth became effective in June, 1918 and continued to the end of that year. Meanwhile, and also from time to time after the armistice, the prices on the company's regular and standard fabrics were either withdrawn or listed at value.

The worsted department with its 60,000 spindles and 1600 to 1700 looms was practically taken over by the government in 1918 for the manufacture of shirting flannels and Red Cross yarns. Early in May of that year wool was placed under complete control of the War Industries Board and prices were fixed on the basis of quotations in effect on July 30, 1917. The extent to which wool industry machinery was occupied on Government contracts during this time is indicated by the fact that by June 1, 1918, nearly 43 per cent of the broad woolen and worsted looms were on American war orders and by November 1, 61 per cent. The first order for Red Cross yarns came from the Plattsburg (N.Y.) training camp. It called for a million pounds. The usual procedure in handling these yarns required a skein washer. Amoskeag didn't have this equipment. It filled the order, however, using dry combed black and white tops and reeling and steaming the yarns. The results were so satisfactory that the company was later asked to furnish another million pounds. Amoskeag made a total of three million pounds of Red Cross yarns during the war, at the rate of 30,000 pounds a week.

For nearly three years before the United States entered the war, in April 1917, ^{Amoskeag} management and employes had been watching developments in Europe. They had already been more or less affected by war conditions and realized that it was only a question of time before this country would become involved in the actual hostilities. In the February 15, 1917 issue of the "Bulletin" it was announced that the company had offered to equip a regiment in case of war with Germany and a letter from Treasurer F.C. Dumaine explained that the management was willing to stand the entire expense. At this time the company presented a flag to the Louis Bell Post of the G.A.R. as a token of the increasing patriotic feelings in the community.

By the first of April a Defense League was formed at Amoskeag. About two weeks later the Textile Club offered its services to New Hampshire's Governor Keyes. It urged tenement holders to display the National Flag every day. There were as many as fifty flag raisings in Amoskeag mill rooms with inspiring exercises in the latter part of April. The company announced that it would give plowed land, seed and fertilizer, free of charge, for employes' gardens. The "Bulletin" in its May 1 issue printed the words of the "Star Spangled Banner" and an editorial entitled "Enlist Now". Two weeks later the publication's headlines included "Amoskeag Men Enlist", "Plows Are Kept at Work" and "More Flag Raisings". A list of Amoskeag employes who were already in the service was published June 1. That issue also explained questions that had to be answered for the selective draft. The following month (July 2) the publication announced that there would be no shutdown for summer vacations, because the plants would be so busy filling war orders, including uniform cloth, khaki shirting, flannels etc.

The Textile Club ran a big carnival for the Red Cross July 10-11 at the Textile Field, which the "Bulletin" said was a great success. In the next six months over 7,000 joined the Red Cross. Employes of the company were urged to learn the right way to can. Members of the Textile Club had gone to Plattsburg for training in 1916, and the August 1, 1917 issue of the paper gave the names of these and others who had gone there since. The management and

employees of Amoskeag continued their war activities along the above lines up to the signing of the armistice. Red Cross and Liberty Loan campaigns were an important part of the program. The company's mills continued to produce an increasing amount of goods for the Government. This was well illustrated by the fact that when a five-day strike in connection with wage increases took place early in 1918, the Secretary of War sent an ~~ar~~bitrator to Manchester to settle the dispute.

Amoskeag's importance in the production of war textiles became still more evident in February, 1918, when Superintendent W. Parker Straw received instructions from Washington to proceed as soon as possible to take a place on the War Industries Board for duty of six months. He was to bear the rank of Major. Mr. Straw already was known by the title of Colonel on account of his service on the staff of Governor Jackson McLane. The War Board was under the direct supervision and chairmanship of Major General Goethals of Panama Canal fame. Mr. Straw's assignment was to supervise the production and delivery of all cotton goods being made for the Government in war work, including fabrics for uniforms, leggings, tentage, etc. It was stated at the time that the mills would be kept going at full speed "in spite of the fact that an important 'cog' has been removed for a time to do more important work."

In August Major Straw was sent to France to make a survey of conditions relating to the stability and wear of soldiers' uniforms at the front. It was stated that it wasn't known how long he would be gone. As a matter of fact, he returned from France late in November and was released from his duties in Washington in time to resume his work as general superintendent at Amoskeag by December 13, 1918. In an issue of the "Bulletin" just before his return, reference was made to a tribute paid to Major Straw by President Hopkins of Dartmouth, assistant under Secretary of War to Newton D. Baker. It was explained that Major Straw had been assigned to the War Department "as production expert" in cotton and cotton products. "He had performed work of the highest importance in Europe in the Clothing and Equipment Division of the

Quartermasters Corps and had met production problems with outstanding ability," President Hopkins said.

Dollar sales reached the highest point in the company's history in the fiscal year ended May 31, 1920, when \$56,319,933 was reported. Its largest net income of \$7,944,945 was earned in 1918-1919. In the three years following United States' entrance into the First World War, while cloth prices were being steadily increased, sales averaged practically \$50,000,000 annually and its net profits, \$5,789,000. In the first and last years of the current five-year period sales were only 30 and 31 million dollars and net income slightly over a million, which was about the average noted in 1911-1916, although annual sales were then between 20 and 21 million. The record total sales of \$211,520,217 reported for 1916-1921 were more than double the 103 million of the previous corresponding period. Total income of \$19,972,803 compares with \$5,448,259.

Amoskeag Income Account
(June 1, 1916 to May 31, 1921)

	<u>1920-1921</u>	<u>1919-1920</u>	<u>1918-1919</u>	<u>1917-1918</u>	<u>1916-1917</u>
Sales	<u>\$31,287,075</u>	<u>\$56,319,933</u>	<u>\$44,015,912</u>	<u>\$49,458,082</u>	<u>\$30,439,215</u>
Net Income	<u>1,272,649</u>	<u>4,568,918</u>	<u>7,944,945</u>	<u>5,052,681</u>	<u>1,333,610</u>
Per Cent of Sales	4.07	7.76	18.05	10.22	4.38
Per Common Share	<u>*2.37</u>	<u>*11.33</u>	<u>42.97</u>	<u>26.24</u>	<u>4.72</u>
Dividends	\$ 2,523,600	\$ 1,684,800	\$ 1,166,400	\$ 1,036,800	\$ 1,036,800
Surplus	(a) <u>1,250,951</u>	<u>2,684,118</u>	<u>6,773,545</u>	<u>4,015,881</u>	<u>295,810</u>

* On 345,600 instead of 172,800 shares outstanding in years previous to 100 per cent stock dividend May 1920 and equal to \$22.66 and \$4.74 per share on old basis. The \$4.50 preferred was reduced from 115,200 to 100,000 shares April, 1920. Cash dividends on Common increased to \$1.00 quarterly October 2, 1918; to \$1.25, August 2, 1919; and to \$1.50, May 7, 1920.

In the relation between income and sales a better showing was made in 1916-1921. As the above income account shows, earnings then averaged 8.9 per cent of sales. This compares with 5.3 per cent, in the preceding period. In the three middle years (1917-1920) the average was 12.01 per cent, but not quite

4.23 per cent in the first and last. The high point was 18.05 per cent in 1918-1919. Net income during 1916-1921 was equal to approximately \$17.53 per share annually on the common stock, which compares with \$3.52 in the pre-war period. From 1917 to 1920 the average was \$26.85 cents per share. The common stock's share of the net income was practically \$43 a share in the year ended May 31, 1919, compared with the low of only \$2.37 in 1920-1921. The latter figure as well as the \$11.33 per share shown in the table for 1919-1920, is based on the 345,600 shares. On 172,800 which were outstanding before the stock dividend the average earnings for five years would be \$20.27 and for the three years 1917-1920, \$30.62 instead of the \$17.53 and \$26.85 per share previously given.

Cash dividends paid in the five years 1916-1921 totaled \$7,448,400, as compared with \$5,182,325 in 1911-1916. In the fiscal period ended May 31, 1917, there was added to surplus \$296,810. This account was increased by nearly 13½ million dollars in the next three years, but there was a deficit of \$1,250,951 after dividends for the twelve months ended May 31, 1921, when the total distribution was \$2,523,600, as compared with the regular prewar requirements of \$1,036,800 annually. As the total increase in surplus had been \$13,775,354, there was still a net gain of \$12,524,403.

Some interesting comparative figures were also given in the company's figures for periods ended November 30. For the five years covered in this part of Amoskeag's history, they totaled \$214,413,000 and included \$149,784,000 for cotton and \$64,629,000 for worsted goods. The top years for cotton goods were 1920 with \$36,930,000 and 1918 with \$35,196,000, and the low, \$23,701,000 in 1921. The best years in worsteds were 1918 and 1917, when sales totaled \$19,813,000 and \$14,320,000. A low point of \$8,233,000 was reached in 1921.

In the regular fiscal years the high point in the sales of cotton goods was \$34,408,110 in 1920 and in worsteds, \$18,033,532 in 1918. May was the big month for total sales. The largest gross of \$7,449,088 was attained in May, 1920, and in the same month the peak of \$5,613,436 was reported for cotton goods. Worsteds' largest monthly sales of \$2,283,800 were made in May, 1918 and the smallest of \$74,952 were reported for February 1921. The low point in gross

sales on cotton goods was not reached until 1922, the year of the nine months' strike. Only \$173,952 worth of cotton cloth were sold in June 1922 and the lowest monthly gross of \$446,704 was reported in August of that year.

Amoskeag's method of accounting which calculated the portion of total earnings, dividends and surplus to be credited to the cotton and worsted sections has been previously explained. The cotton section in the five fiscal years ended May 31, 1916-1921 was responsible for adding a net amount of \$7,916,898.18 to surplus and the worsted section's contribution was \$1,986,242.85, or a total of \$9,903,141.03, practically 80 per cent of the overall net of \$12,524,403 by which the account was increased in that period.

The cotton section's earnings for surplus totaled \$8,713,824.90 in the first four years, including the record \$4,790,483.96 reported in 1918 and \$2,084,963 in 1919. The substantially lower amount in the latter year was the result of the general recession which took place after the armistice. A normal 48-hour week was instituted in February 1919, although the mills were actually operating only 35 hours. The prosperity induced by the transition from clothing soldiers to meeting increased civilian requirements made it possible for the earnings of the cotton section in 1919-1920 to approximate those of the preceding fiscal year, although increased dividends resulting from the doubling of the number of shares of common stock cut the amount transferred to surplus to \$1,106,673. Depression conditions caught up with the operations of this section in 1921 and its net income was slightly more than one-half of dividend requirements, so that \$796,927 had to be deducted from the accumulation of the preceding years to meet them.

The worsted section had three plus years, 1917-1919, and in spite of the drop in earnings from \$1,460,604 in 1918 to only \$28,256 in 1919 as the result of the severe curtailment in the latter year, contributed a total of \$2,975,923 to surplus. Adverse conditions continued in the worsted section in 1920 as evidenced by an operating profit of only \$45,433, which meant a deficit of \$706,366 after dividends. In 1921 this section failed to meet its dividend requirements by \$283,314. Therefore accumulated surplus was charged with a total of

\$989,680 for these two years.

During the five years when sales totaled \$211,520,217, manufacturing costs amounted to \$192,066,601. They averaged about \$29,277,000 in 1917 and 1921, when sales were \$30,863,100, compared with \$44,505,000 and \$49,931,000, in the middle three years. After deducting the total costs the profits for the period would be \$19,453,616, or about 9 per cent, which compares with the reported net income, after adjustments for inventory increases and decreases, of \$19,972,803, or approximately 9.4 per cent of the total sales. The net income figures for 1917, 1919 and 1920 include inventory increases of \$463,767, \$1,053,111 and \$516,629 and those for 1918 and 1921 are after deducting inventory decreases of \$482,444 and \$1,029,877. The total of inventory increases was \$2,033,507 and of decreases, \$1,512,321, so that in the five year income of \$19,972,803, inventory appreciation accounted for only about \$520,000.

The above costs are for the regular fiscal periods ended May 31 of each year. Some figures for the twelve months ended November 30, which are also available, give details of the company's costs that are of interest. In the five years 1917-1921 ended November 30, total costs of \$184,173,400 included \$127,228,000 for the cotton and \$57,506,000 for the worsted section. The highest cost years for cottons were \$31,599,000 in 1920 and \$26,193,000 in 1918 and for worsteds, \$16,198,000 in 1918 and \$12,944,000 in 1917. The lowest for cottons were 23 to 22 million in 1917 and 1921 and for worsteds, \$7,020,000 in 1921 and \$9,864,000 in 1920. In the cotton section the cost of cotton and waste, labor, and coloring materials and dyestuffs averaged 82.5 per cent of the total, with a high of 91 per cent in 1918 and a low of 66.2 per cent in 1921. The cost of cotton and waste averaged 51.5 per cent of the total, including 62 per cent in 1918, 59 per cent in 1917 and 1919 and only 26.7 per cent in 1921. The average cost for labor for the period was 23.5 per cent. There was a steady increase in this item from 19.7 per cent in 1917 to 31.2 per cent in 1921. The cost of coloring materials and dyestuffs averaged 7.5 per cent for the five years, including 9 per cent in 1918, 8.3 per cent in 1917 and 1921, and only 5.6 per cent in 1920.

Costs other than cotton, labor and dyestuffs in the cotton section averaged about 17.5 per cent for the five years, with a high of 33.8 per cent in 1921 and 23.1 per cent in 1920 and a low of 9 per cent in 1918. Income taxes represented a substantial portion of these other costs, although the regularly published income account and balance sheets did not indicate the amounts paid or set aside for these purposes. For example, when the 1919 report with its record income and the addition of \$6,778,545 to surplus was being discussed it was pointed out that the final net balance would be reduced by the payment of the remaining 75 per cent of 1918 taxes. Again in 1920 in connection with the profit and loss and ~~reserves~~ which amounted to \$40,702,670, "it was presumed that this figure included reserve for unpaid taxes". Finally when the 1921 report was issued, it was noted that back taxes for several years had not yet been adjusted with the Government.

Some interesting data on the amount of taxes paid by Amoskeag during this period was submitted on their behalf at tax hearings in 1923-1924 by officials of Hayden, Stone & Co., investment ~~bankers~~, and Lockwood, Greene & Co., mill engineers. As these figures are based on returns for the years ended November 30, instead of the regular fiscal year ended May 31, and evidently included revenue derived from investments and other sources than operating profits, they are not strictly comparable with the income accounts given in the published reports. They do indicate, however, that for the five years 1917-1921 the company's tax bill was \$13,205,980. This was on a basis of a total net income of \$42,933,440 before and of \$29,727,460 after taxes. The latter compares with the \$19,972,803 indicated in the published income account for the five years ended May 31. Of course if the fiscal years involved were identical these figures would mean that Amoskeag's non-manufacturing income for the period was nearly 10 million dollars. At any rate, it was well known that the company had held very profitable investments since its incorporation and that at this time they included an increasing amount of Liberty Bonds. The tax bearing figures also showed that the highest net before taxes in the November 30 years was \$14,884,793 in 1918, and after taxes, \$8,220,842 in 1917. In 1920-1921 the

total income was $3\frac{1}{2}$ to a little over 4 million dollars before taxes and from 3.3 to 3.8 million after taxes, indicating that taxes averaged about \$200,000.

Amoskeag's nearly ten million dollar increase in turnover to \$30,439,215 for the year ended May 31, 1917 was largely the result of the rise in the price of cotton and cloth. As previously noted, production was not quite two million yards greater than in the preceding year. Apparently costs absorbed more than the increase in gross sales. When the 1917 report was issued, at the annual meeting in October, showing net income of 13 per cent over 1916 but only \$4.72 cents on common, some stockholders were disappointed. They knew that all textile mills had been doing wonderfully well and that Pacific and Arlington as the result of large war orders were showing earnings in that year of \$22 and \$34 a share. Others expressed themselves as well satisfied with the 1917 report. They had confidence in the company's management and knew that it would take full advantage of all profit possibilities. They realized, it was stated, that Amoskeag wasn't operated to show extreme ~~profits~~ or wide variations in earnings, but to make its stock a permanent and sure investment for shareholders. They knew that the figures Treasurer Dumaine presented always represented the superlative in conservatism, with every conceivable emergency guarded against. In fact, the opinion was general throughout the trade that there probably was not a safer set of figures upon which to base investing judgement. For many years hundreds of thousands of dollars had been expended for new machinery, improvements, repairs, additions, supplies, Liberty Bonds and other purposes, without increasing ^{Amoskeag's} ~~its~~ capital or the value of its fixed assets or decreasing net quick. It had continued in profitable operation for nearly 90 years and dividend payments had been uninterrupted.

Previously dissatisfied stockholders and others in the trade were well pleased with the net income reported in 1918. It was more in line with expectations, as it was equal to \$26.24 per share on the common stock. It is of interest that while sales of \$49,458,082 represented a fifty per cent increase, production was down 15 per cent. Profits in excess of 5 million made possible by considerable government work were nearly four times the best previous

showing of 1917 and totaled more than the combined years 1914-1917. Inability to hold down costs in 1917 had resulted in a drop in profit margin from 5.7 to 4.38 per cent, the lowest for any year since the war broke out. The ratio was almost doubled to 10.22 per cent in 1918, with the partial help of an inventory increase of \$482,767.

In the annual report for the year ended May 31, 1919, Amoskeag made the best profit showing in its history, although the peak in dollar sales was not reached until the following year. Its net income of \$7,944,945, which included an inventory appreciation of \$1,053,111, was equal to 18.2 per cent on sales and \$42.97 per share on the common stock, and \$6,778,545 was added to surplus, even after the payment of increased dividends. There was some discussion in the trade in regard to this addition to surplus, because it was noted that the balance sheet showed an increase of \$14,577,781 in net quick assets, which seemed to indicate hidden equity of \$7,799,246, or \$45.13 per share on the common. It was suggested by those who claimed that their published reports continually underestimated the company's real earnings that if the latter amount were added to the \$49.97 per share indicated in the income account, *earnings* for the year would actually be equal to a total of \$88.10 on the 172,800 shares of common stock.

There was an increase of 12 million, or 27 per cent, in turnover to \$56, 319,933 in the year ended May 31, 1920, but profits were \$3,576,000, or 45 per cent less than in the preceding year. The percentage of income on sales declined to 7.76. Earnings were equal to \$11.33 per share on the increased capital, or \$22.66 on the original 172,800 shares of common. More money was distributed in dividends. The rate on the common was increased to 6 per cent, which was equal to \$12, because shareholders now had two shares in place of one formerly held. The amount added to surplus in this year was \$2,684,000.

When Amoskeag's 1920-21 fiscal year began the textile industry had probably passed its peak. In the next few months there was increasing evidence that the postwar boom was nearing its end. A definite public recession in buying was noted and a period of intensive liquidation followed. Early in December

the "Bulletin" referred to the unsatisfactory conditions in an article entitled "Shut Down or Cut Down". It did say, however, that the worsted department was gradually getting going on a three-day schedule. The general situation was illustrated by the fact that the American Woolen Company had disposed of quantities of surplus cloth at auction. The report for the year ended the following May (1921) reflected the general conditions in the industry. Sales were only a little over 31 million, about 25 million or 44 per cent, less than in 1920, but the yardage showed a decline of only nine per cent. Amoskeag maintained the usual close relation between sales and production with a spread of only 600,000 yards. The management was determined to keep the mills in operation even at the expense of its margin of profit. The net income of \$1,272,649 after giving effect to a heavy inventory reduction of \$1,029,877 represented only 4.07 of sales and was equal to only \$2.37 per share on the common. As the regular dividends of $4\frac{1}{2}$ per cent on the preferred, and 6 per cent on the common required the distribution of \$2,523,600, the company had to dig into surplus to the extent of \$1,250,951. This deficit, the first since 1913-1914, did not of course cause any great alarm, in view of the fact that during the war the company had accumulated net quick assets of over \$37,000,000, including approximately \$17,000,000 in Liberty Bonds. But continuing deficits in following years while dividends were being maintained did later present a difficult problem for the company and the city of Manchester. The decline in business was more serious than for most industrial companies. If continued, it was likely to bring disaster to an entire community, which at that time depended on it for 47.3 per cent of its industrial payroll, and whose civic and political life was in a large measure dominated by this tremendous organization.

The substantial downward trend in the production of gingham was already being discussed in the trade. Attention was called to the fact that a mill which was concentrating on gingham, because of the yarn sizes and colors involved, couldn't speedily change the character of its goods. The problem in handling most colored yarn fabrics were quite different than those of a gray goods mill, it was stated. The gingham mill, especially one with an extensive organization like

Amoskeag, was not equipped and could not afford to make any number of yarn sizes or fabric constructions. In fact as a matter of self protection, it was good policy for such a mill to limit its constructions and styles as much as possible. It was in a different position from a gray goods mill, which could take advantage of finishing processes to create fabric variety. The production and distribution of ginghams had been relatively steady over a period of at least fifteen years. Few or no other fabrics could be used for as many purposes as ginghams and they had enjoyed the advantages of low cloth prices and relatively low garment making costs. But after the war the picture began to change and presented increasing problems for gingham mills. Amoskeag had of course foreseen the possibilities of this changed trend. How it attempted to ~~effect~~ it as much as it could under the handicaps of its tremendous plant and increasing Southern competition and labor difficulties will be discussed later.

There were also changes taking place in the company's worsted department. After the war men's wear and yarns constituted its chief products. They included low-priced fabrics for men's pants and, yarns in different colors, including blues and mixtures. The latter business was soon considerably reduced, however, because there wasn't enough of it for the company's French system.

Progressive changes are noted in the balance sheets from 1917 through 1920, except in the valuation of real estate and machinery and other fixed assets, which were continued at \$3,000,000 without reflecting ~~substantial~~ increases made in the company's property, including the new Coolidge and bag mills erected in new or improved machinery, previous periods, the well equipped technical laboratory valued in a report as of December 1, 1918 at \$520,276, or the initial investment in a new hydro-electric development on the Merrimack River below the Amoskeag Bridge. The latter project involved the building of a new dam and a \$500,000 powerhouse ^{on the west bank} just south of the old stocking mill. Amoskeag had always been a leader in electrification. The original plans for this important redevelopment were formulated by Treasurer F. C. Dumaine and Agent H. F. Straw some time during 1918. The work was actually begun in the fall of 1919, although the power equipment was not ordered until

the spring of the following year. High water from time to time and the long textile strike of 1922 each added several months to the length of the job, but it was finally completed late in the fall of the latter year. This great hydro-electric plant, with its four or five big Morris turbine wheels with umbrella-type generators, was built under the supervision of John R. Freeman of Providence head of the Factory Mutuals. There was nothing like it in New England or in the textile industry. Some idea of its value when completed is evident from the fact that it was eventually sold to the Public Service Corporation for \$2,500,000.

Amoskeag Balance Sheet
(June 1, 1917 to May 31, 1921)

	<u>1920-1921</u>	<u>1919-1920</u>	<u>1918-1919</u>	<u>1917-1918</u>	<u>1916-1917</u>
<u>Assets</u>					
Real Estate & Machinery	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
Inventory, Stock, Cash & Debts Receivable	37,455,400	39,521,612	37,162,531	20,417,359	15,952,545
Total	<u>\$40,455,400</u>	<u>\$42,521,612</u>	<u>\$40,162,531</u>	<u>\$23,417,359</u>	<u>\$18,952,545</u>
<u>Liabilities</u>					
Notes & Acc'ts Payable	\$ 280,000	\$ 1,818,942	\$ 2,682,522	\$ 515,131	\$ 5,408,942
* Reserves & Profit & Loss	40,175,400	40,702,670	37,480,009	22,902,228	13,543,603
Total	<u>\$40,455,400</u>	<u>\$42,521,612</u>	<u>\$40,162,531</u>	<u>\$23,417,359</u>	<u>\$18,952,545</u>
Net Quick	\$37,175,400	\$37,702,670	\$34,480,009	\$19,902,228	\$10,543,603

* Capital stock to May, 1920 included 115,200 shares of \$4.50 preferred and 172,800 shares of Common. After that the amounts were 100,000 and 345,600 shares as the result of the cancellation of 15,200 shares of preferred and a 100 per cent stock dividend on the common.

It was well known by stockholders and the general public that Amoskeag properties were ~~worth~~ many times more than the normal value placed on them. In this connection it is interesting that the company on November 30, 1918 initiated what it called a "suspense" account, ~~which~~ was apparently intended as an offset against the value of land, water power, mills and machinery shown in the trial balance of November 29, 1911, after the reorganization in that year. One conservative estimate of the value of the company's properties in 1918 was \$25,000,000. The next

year, when earnings reached record proportions, there was talk in the trade that the properties should be appraised on the basis of replacement values of \$50 to \$75 per spindle, as compared with a cost of about \$25 per spindle a few years before the war. It was stated that with 620,000 cotton and 60,000 worsted spindles, and figuring that the latter would cost twice as much to replace, a fair valuation for the resulting 740,000 spindles even at \$50 a spindle would represent an investment of \$37,000,000, or between 40 and 50 million at the higher replacement value. Statistics on the trend in prices for cotton mill equipment during the five years from 1916 to 1921 show that in that period the cost of a spinning frame per spindle increased from \$2.65 to \$7.60 and the cost per plain loom from \$85 to \$213.50.

The City of Manchester valued Amoskeag properties at \$18,482,200 in 1917. The assessments were over \$21,000,000 and \$24,000,000 in 1918 and 1919 and more than \$30,000,000 in 1920 and 1921, amounting to \$30,544,400 in the latter year, or an increase of \$12,000,000 since 1917. During this period Amoskeag property assessments represented an increasing percentage of Manchester's total valuation, from 23.3 in 1917 to 27.9 in 1920. It was slightly less in 1921 at 27.7 per cent. The amount of taxes paid to the City was more than doubled, from \$319,500 to \$748,300. Just ten years before the company's tax bill had been less than \$200,000, and five years following its incorporation in 1831, it paid \$177. Amoskeag could have saved much, if it had been taxed at rates prevailing in New England generally and in the South. The chief difference in the company's tax load as compared with the rest of New England was in the stock-in-trade tax in force in New Hampshire. The essential community services supported by the city of Manchester could not have been taken care of, if its property tax had been as low as the rates which prevailed in the South.

The extent of the Amoskeag organization may be better appreciated by reference to a map of the mills and tenement property of the company made for the office of Treasurer F. C. Dumaine on January 31, 1919. The area covered has part of the Merrimack River running through it and measures about 1.8 miles by nearly

7/10 of a mile, or approximately $1\frac{1}{4}$ square miles. Across the top of the map is Elm Street, which runs from north to south through the city of Manchester for more than a mile. Not far from the southern end of this main thoroughfare it is joined by Canal Street. The latter after leaving Elm Street at a sharp angle in a northwesterly direction passes the Depot and Playground on the left and then runs north along side of the Boston & Maine Railroad tracks, which parallel Amoskeag's Upper Canal. The Company's largest tenement district located in about the center of the area between Elm and Canal comprised a dozen streets, including Dean at the north and Pleasant at the south. The main entrance to the manufacturing properties was reached from Canal Street. The long line of brick buildings on the opposite side of the Upper Canal included some of the original mills. The complete Amoskeag plant extended along the east and west banks of the Merrimack from the old curved Amoskeag Dam, Amoskeag Bridge, Gate Head and Canal Basin at the north to well over a mile southward to the point where the Lower Canal connects with the river through a weir.

The two large manufacturing areas were organized into three divisions, Northern, Central and Southern, each having mills on both sides of the river. On the east bank these divisions were crossed by the upper and lower canals and two lines of tracks that connected with the main railroad. These tracks ran along the opposite or western sides of the canals. In the Northern Division starting with Brook Street and extending to Bridge Street, the rail line served Langdon Mills No 1 and 2, Amory Mill and its filter building and storehouse, which were located between the two canals. Directly on the edge of the Upper Canal, between Brook and Dean Streets, were a storehouse, shop and shed. Farther along the canal the company's remnant store was located on the north side of Bridge Street at the canal. Starting at the Red Gate House and the Basin, the Lower Canal was also paralleled by a railroad track. The latter served the plants along the river, including in order as far as Bridge Street the pump, boiler and power houses, Jefferson Mill and picker and storehouse, the Bag Mill and No. 5 Mill.

The map shows the position of the new dam below Amoskeag Bridge, indicating that it extended from the gate head at the Canal Basin over to the end of the

hydro-electric station, which extended out from the west side of the river. The company's oil tanks, pump house pipe lines were located on an island adjacent to the boiler house on the east bank. In the northwest corner of the map on the opposite side of the river was another group of company houses.

The mills of the Northern Division located on the west side of the Merrimack included the large Coolidge plant on McGregor Street at Bridge Street. There was a small group of company houses between McGregor and Main Streets. Along the river, almost directly across from the Bag Mill, were Nos. 6 and 8 mills storehouses. Between them and the Coolidge Mill was a railroad line with two spurs, one extending to a coal supply and the other serving an unusually long cotton storehouse *at the left of the line.*

The Central Division's area on the east bank extended from Bridge Street to the weir through which the Upper joins the Lower Canal. The railroad tracks continue through this division. In front of them on the Canal are No. 4 Stark Mill, the Amoskeag Office and the Upper Canal Building. Across the railroad are more Stark Mills, Nos. 3, 2, 1, and 7. Then in back of the office and the Canal ^{*Building*} Amoskeag's Nos. 1, 6, 2, and 3 with picker house. On the other side of the Lower Canal beginning opposite Stark No. 1 are a shop and the Northern and Southern Canal Buildings. The railroad tracks continue to parallel the lower side of the Canal. Below them from North to South are first a large shop and behind it No. 9 Mill and a picker house and then Nos 8 and 7 with a Blue Dye House, and Nos. 4, 5 and a picker house. The Drug Store House facing Bridge Street, the Bleachery, Dye House, an Electric Station and Waste House, ^{*weir*} all along the river.

On the west bank of the Merrimack directly opposite the Dye House the Central division had extensive Cotton Storehouses, behind which were two spur tracks, then a Cloth Room and the large No. 11 Mill. Continuing down the River and served by a net work of tracks were coal pockets, engine and boiler houses and a boiler shop. In back of them were a Pattern Shop, Dye House, Foundry and Shop, another coal supply and No 12, the company's only wooden weaving mill close to Main Street. Farther to the South were two more cotton houses.

The Southern Division of the Amoskeag was located chiefly on the east bank and included the Worsted Department. It extended southward as far as the weir through which the Lower Canal connects with the river. Part of the area goes as far as Granite Street. Between Bedford and State Streets which run north and south to Granite is another group of company houses. Continuing in the direction of the river and across the Lower Canal is Mill No. 4 and below it the railroad. Then come Mills No. 1, 2, 9. Along the river are Nos. 3, 5, 6, and a Wet Finishing mill and Nos. 7, 8, 9, with a store house. South of Granite Street between Bedford and State are a garage, storehouse, turbine station and boilers, all served by two spur tracks. Below the Lower Canal and the railroad was the large No. 10 Mill along the river, with North and South Wings, filter building and store houses and Engraving Building and Dye House. On the west bank of the river in back of several spur tracks was Amoskeag's Laboratory, on Douglas Street, and in the vicinity some more company houses.

In an organization of the tremendous size of Amoskeag, with its complete integration of manufacturing operations and many mills and departments, transportation was an increasingly important problem. The lines of railroad tracks in the mill yards have already been mentioned. There was also considerable trucking of yarns and cloth in process in each mill and from one to another, as well as heavy freight shipments to customers by rail and truck. In the early days mill yard transportation was by horses. When the Manchester Mills were bought there were 33 horses at Amoskeag. The consolidation brought 16 more, making 52 in all. They were kept in a big stable on the west side of the river south of No 11 Mill. In 1907 Amoskeag purchased its first truck. In 1910 the "Bulletin" published articles on mill transportation showing pictures of new electric vehicles and tractors that were being substituted for horses. Pictures of 2 and 5-ton capacity trucks were shown with and without loads. By 1921 the company had 32 in use, besides 6 tractors, one ambulance and seven closed passenger cars. The old locomotive works had been fitted up as a garage with a capacity for storing nearly one hundred cars. The company had bought this property in 1917 for \$200,000. Amoskeag never sold a horse. The February 1, 1921

issue of the "Bulletin" announced that the last four horses had been pensioned off to new homes. It told how the number of animals had diminished as trucks were added.

Inter-mill connections were facilitated by mail distribution by boys who with their full bags made regular deliveries four times daily.

Reference to the previously given comparative balance sheet will show that Amoskeag had accumulated \$37,175,000 of working capital by May 31, 1921. This represented an increase of \$27,139,000 in five years, as net quick had amounted to only \$10,036,000 at the beginning of this period. There was gain of \$508,000 to \$10,544,000 in the first fiscal year. Then came a tremendous increase of \$27,159,000 from June 2, 1917 to May 31, 1920, including \$14,578,000 in 1918-1919. The \$37,703,000 of working capital indicated in the 1920 balance sheet was the highest in the company's history. Even after this peak net quick had been decreased by \$528,000 to \$37,175,000 in 1921, there was still \$27,139,000 left from the total increase of \$27,668,000 of the previous four years, and the most recent balance sheet showed notes and accounts payable of only \$280,000, compared with an average of about 2 million in the preceding years, including highs of \$5,408,947 and \$2,682,522 in 1917 and 1919.

Net quick at the beginning of the five-year period was equal to approximately \$35 a share on all of the company's stock, 288,000 shares of common and preferred. On the same number of shares the working capital of \$37,175,400 on May 31, 1921 was equal to \$129 a share, or a gain of practically \$94 a share in five years. But there were twice as many shares of common in the latter year as the result of the stock dividend in 1920, and preferred had been reduced to 100,000 shares, making a total of 445,600 shares. Even on this basis the net quick on May 31, 1921 was equal to \$83.43 on all of the company's stocks, and as much as \$130 on the common, after deducting the preferred at \$100 a share.

The very substantial increase in quick assets was due largely of course to wartime values of raw materials and manufactured goods but also to the accumulation of government bonds by the company. On June 1, 1917 it was stated in the "Amoskeag Bulletin" that the company after subscribing to \$1,200,000 of Liberty

Bonds on its own account would aid employes to buy ~~some~~ on the installment plan. Superintendent W. Parker Straw played an important part in the bond selling campaign. Under his direction every room in the yard was canvassed. In two weeks approximately a quarter of a million dollars was subscribed by more than 3500 employes, a result far in excess of expectations, but still more subscribers were being sought. The campaign was continued and a much larger total eventually achieved. Meanwhile the company was steadily increasing its purchases from \$7,654,440 on December 1, 1918 to \$17,372,514 December 1, 1920. On the former date in addition to Liberty Bonds Amoskeag had twelve million dollars of U.S. Certificates, which had been reduced to \$1,000,000 June 1, 1920, when the investment in bonds had been increased to \$14,315,150. By 1922 Amoskeag held a total of \$33,422,000 of Liberty and Victory Bonds.

Some interesting figures from the company's inventory account show the fabric trends in this period. On June 2, 1917 cloth on hand included 18,490,000 yards of cotton goods at 10 cents and 1,244,632 yards of worsted at 85 cents. In 1920 at the end of the fiscal year on a much higher basis there were 7,249,308 yards of ginghams on hand but by November 27 of the same year following business and price declines this amount had been increased to 31,517,100 yards. The total cotton cloth on hand on the latter date was 33,176,517 yards, including besides ginghams, 860,356 yards of blue goods, 228,187 yards of towelling, 35,419 yards of O.D. Twill and 511,288 yards of Amory cloth. On the same date stocks included 81,412 bags. By May 28, 1921 the gingham inventory had been reduced to 3,593,206 yards, blue goods to 239,923 yards, and towelling 215,066 yards. The 39,337 yards of O.D. twill and 879,607 yards of Amory cloth represented slight increases. Amoskeag also had on hand at the end of the 1921 year 3,285,732 yards of flannels. Inventories as of December 1, 1918 included 28,308 pounds of Indigo and 56,537 pounds of starch. Coal on hand June 1, 1920 included 28,641 tons of hard and 8,697 tons of soft.

Statistics on cotton crops and the trends in prices of both cotton and cloth during Amoskeag's 1916-1921 years will indicate the important influence of these factors on the company's inventory account, dollar sales and profits, especially

during the three years following our entrance into the World War, when the quotations on cotton goods advanced to the high points reached in 1920. In the three seasons starting August 1, 1916, 1917 and 1919, cotton production averaged 11,591,000 bales. In the other two crop years there were higher yields, 12,040,532 bales in 1918 and 13,439,603 bales in 1920. The difference between high and low prices was 14.55 cents in 1916-1918, 13.20 cents in 1918-1919, 16.90 cents in 1919-1920 and 29.15 cents in 1920-1921. The average price that prevailed through 1918-1920 was 32.58 cents. The high for the five-year period was 43.75 cents in 1919-1920 and the low, 10.85 cents in 1920-1921, as compared with the top quotations of 40 cents in the latter season. In the fiscal years 1911-1916, cotton prices had *averaged* to 14.50 cents.

From 1916-1920 the average prices on colored and bleached goods similar to the types manufactured by Amoskeag increased as follows: 2.20 denim from 18.71 to 38.25 cents; 3.80 workshirt chambray, 9.14 to 25.2; 27-inch staple gingham 7.24 to 19.30; 8 oz. ticking, 16.45 to 28.03 (the average price had been 39.03 and 33.4 cents in 1918 and 1919), and bleached mislin, Class A, 10.05 to 33.5 cents. The average denim prices were more than doubled, those for chambrays about tripled, gingham prices increased over 100 per cent, ticking more than doubled and bleached muslin more than tripled. In March, 1920 the manufacturers' margin between the price of cotton and standard gray cloth had reached the all-time peak of 72.4 cents a pound, as compared with a spread of 26 and 47 cents a pound, in 1917-1918. From June, 1918 until the end of that year government maximum prices were in effect. By 1921 the average price on denims was 15.67 cents, almost three cents below that of 1916. Chambrays at 11.16 cents were about 2 cents higher, gingham at 12.33, over five cents more, ticking at 19.25 nearly 3 cents more and bleached muslin at 28.03, nearly 18 cents more than five years before.

Wool prices also advanced very substantially in the war period. Starting in January, 1916 at 64.3 cents for $\frac{1}{2}$ and $\frac{3}{8}$ grades scoured, the average price for these wools had risen to 87.2 cents by the first month of 1917 and was up to ⁶1.38 in October of that year. A high point in the prices for $\frac{1}{2}$ and $\frac{3}{8}$

~~and 3/8 grades~~ of \$1.43 was reached in January, 1918, an increase of more than 80 cents, or nearly 125 per cent in two years. Early in May of this year wool had been placed under the complete control of the War Industries Board and prices fixed on the basis of quotations in effect on July 30, 1917.

It is interesting that Amoskeag valued the 9,556,373 pounds of wool it had on hand June 2, 1917 at 73 cents a pound. The management's traditional understatement of inventory resulted in a hidden reserve that was evidently greatly increased during the period of war inflation. It is understood that in May, 1918 reserves for shareholders were increased by \$4,939,279, when this amount was withdrawn from the wool account to make the book value of the raw material equal to 10 cents a pound. This money was really a war profit on wool inventories due to specific price increases. An entry of the same character to the amount of \$1,285,578 was made in November 1918. Apparently over six million was added to reserves for shareholders in one year for the purpose of revaluing stocks of raw material.

The wool picture changed after the Armistice when war contracts had to be adjusted. The government held huge stocks of textiles and clothing as well as raw material. It began to dispose of its wool at auctions held early in 1919. Woolen and worsted mills now dependent almost entirely on a hesitating general public for cloth and yarn orders were faced with the problem of lower prices or curtailment. Operations fell off very substantially and by April 1919, practically half ~~half~~ of the machinery in the wool industry was idle, including 58 per cent of the broad looms in place. At the peak 61 per cent of these looms had been on government work. Amoskeag as other mills felt the effects of this adjustment period.

In the Cotton Division reduced prices on tickings and domets were announced by the company in April, 1919. It was reported that "an excellent business was done" on the basis of 27 to 28 cents for staple tickings and 16 cents for light 1921 domets and 17 for darks. The new prices represented a decline of $2\frac{1}{2}$ to 3 cents in flannelettes, as much as 4 cents for some grades of narrow domets and up to 7 cents on some grades of ticking. Some in the trade considered that 27

cents for ticking, which was equivalent to 54 cents a pound, was too low, in view of the fact that the price for 4.00 yard unbleached sheetings was equal to 48 cents a pound and for some staple print cloths, 51 cents. It is interesting that when in 1918 the government awarded some denim contracts the prices were on the basis of 75 to 80 cents a pound.

By the latter part of 1919 prices on cotton cloths were up again and continued the trend into 1920. Amoskeag withdrew prices or quoted them at value from time to time during this period. In November 1919, ACA tickings were priced at 45 to 51 cents and fancy tickings from $37\frac{1}{2}$ to 46 cents; 901 domet at $35\frac{1}{2}$ and 36-inch domet, Fleecedown and Daisy cloth at $39\frac{1}{2}$, 42 and $43\frac{1}{2}$ cents. ACA tickings were quoted at $43\frac{1}{2}$ cents in the first half of 1920; Amoskeag Staple Bingham and XX Seersucker at $27\frac{1}{2}$ and 25; Utility, 35; Three-star, $33\frac{1}{2}$ and AFC and Hampshire gingham and Amoskeag seersucker, $37\frac{1}{2}$; 19000 Range, 36; Romper cloth, 40 and Invincible suiting, 55 cents.

After July, 1920 the price trend was definitely downward. In October Amoskeag in order to ward off cancellations put into effect a $33\frac{1}{3}$ per cent reduction in prices of all gingham, napped goods, shirtings, tickings and denims. Two months later in December quotations on staple gingham, chambrays, dress gingham and tickings were again cut. The new basis included the following prices, which are evidently far below the high quotations of the early part of the year: Amoskeag staple gingham, $10\frac{1}{2}$ cents (net), Utility gingham, 15 cents (terms), Three-Star gingham, $13\frac{1}{2}$ cents (terms); XX Seersucker, 15 (terms), Amoskeag seersucker, 17 cents (terms), AFC gingham, 17 cents (terms), Hampshire fine gingham, $17\frac{1}{2}$ cents, 19000 Range, $12\frac{1}{2}$ cents (net), Romper cloth, $16\frac{1}{2}$ cents (net), ACA tickings 18 cents and Invincible suitings, 21 cents. These quotations were said to be equivalent to a 40 per cent reduction and were made so that the company could get all possible business.

When W. Parker Straw, who had succeeded his father as agent in June, 1920, announced that all departments of the company would resume operations Monday, January 3, 1921, after the December closing, he explained that the sole object of the price reductions was to get business in order to be able to keep the mills

going. A new wagescale calling for a $22\frac{1}{2}$ per cent reduction, the same as in other New England mills, was put into effect. Agent Straw explained the company's position further by saying that they could not start at full capacity, because they had no new orders, but whatever goods were made would be stored away to meet the expected demand. The plan was to operate half time, three days a week, until further notice. Full time would be put into effect as soon as conditions warranted. In March, 1921, quotations on napped goods, which had risen in the latter part of 1919 and early 1920 along with other cotton goods, were cut from $37\frac{1}{2}$ to $12\frac{1}{2}$ cents a yard.

In connection with Amoskeag quotations on cotton goods the average prices per yard received by the company in the last three years of the 1916-1921 period are interesting as a gauge of what the company itself was getting for its products and also as a barometer of the price trend in textile business in general on such goods. The figures as given by one authority at the time of Amoskeag's 1921 report were: 31.5 cents for 1919; 34 cents for 1920; and 21.3 cents for 1921.

When the Amoskeag was reorganized in 1911 the common stock was started on a \$3.00 annual dividend basis. This was maintained until October 2, 1918, when a quarterly of \$1.00 as compared with the previous 75 cents, was distributed. There were three quarterly payments on the \$4.00 annual basis until August 2, 1919, when \$1.25 was paid, an increase to a \$5 basis and also a change in the months of distribution. When the 100 per cent stock dividend was declared early in 1920, increasing the number of shares from 172,800 to 345,600, the first quarterly dividend, which was paid May 7, was \$1.50. This \$6 basis, which was continued for several years, was equivalent to \$12 on the smaller number of shares previously outstanding. Cash dividends paid on Amoskeag common stock in the period 1916-1921 were as follows: 1916- \$3.00; 1917- \$3.00; 1918- \$3.25; 1919- \$4.50; 1920- \$5.75 (really \$10.25 because of the 100 per cent stock dividend) and 1921- \$6 (\$12 on increased shares). The preferred dividend was of course fixed at \$4.50 a share.

It will be remembered that when the voluntary association was formed in 1911 each stockholder received two shares of new \$4.50 preferred and three of the \$3 common stock for each share previously held, so from that date to 1920 he

had really been receiving \$18 a share on his original investment. The one share of common stock owned previous to the three-for-one split had now become six shares. Furthermore, those who were stockholders at the time of the capital reorganization also had those two shares of preferred, or a total of eight shares, on which they were now receiving \$45 a share annually in dividends. On this basis the prices quoted on the common stock previous to the recapitalization in 1911, the amount represented yields of from 15 to 25 per cent on the single original share. Those who bought one share after this at 70 to 80 were receiving \$12 on two shares or a yield of 15 to 17 per cent and even if a purchase was made at the high of 167 in 1920 the yield was still 7 per cent. The above figures explain why Amoskeag shares were so highly regarded over a period of years.

In 1916 Amoskeag common quotation had ranged from 66 to 79 and the preferred from 98 to 101 $\frac{1}{4}$. The high and low prices for the two issues in 1917 were 75 and 60 and 97 $\frac{1}{2}$ and 75. In the following year, when Amoskeag was operating largely on war orders and improved earnings resulted in an increase in the dividend rate in October from \$3 to \$4, the common went as high as 92, compared with a low of 60 $\frac{1}{2}$. There was a narrow range in the \$4.50 preferred, from 85 to 76. From now on the prices of the latter were pretty well stabilized, but quotations on the common continued to go higher. In 1919, the peak year in Amoskeag profits with the beginning of a \$5 dividend basis for the common in August, the preferred only fluctuated between 78 $\frac{1}{2}$ and 89, while the junior issue starting the year at 80 had climbed to 152 by November. Increased interest in common stock was stimulated by the annual report. Previously quotations had been 121 to 125, but during October they went to 130 and then to 141 and 145.

When it became generally known in 1920 that Amoskeag trustees were going to recommend a 100 per cent dividend, there was still further appreciation in the quotations for the common shares. Early in April it was announced that stockholders had given their approval of the plan. Shortly afterwards 95 shares were sold on the Boston Stock Exchange at 160 to 165. Increasing quantities of common changed hands from then on. Near the end of the month 1,279 shares were

sold at 167, the top for the year and probably equal to the highest in the company's history. The stock dividend was distributed to shareholders on the basis of their holdings on April 29, 1920. They not only received two shares in place of the single share previously held, but beginning May 7 enjoyed an increase in dividends, a quarterly of \$1.50, instead of the \$1.25 previously paid. The common started to sell at \$82, \$164 for the two shares. This represented a yield of 7.3 per cent. By October the \$6 common and the \$4.50 preferred were selling at about the same prices 75 to 76; December 9, common at 70½ and 71 preferred at 70-71. This situation continued for sometime, although the quotations represented a yield of 8 per cent on the common, as compared with only 6 per cent for the preferred. The high and low on the latter had been 83 and 70 in 1920 and were 84½ and 75 in 1921. The price relationship between the two issues changed substantially in 1921. The common, which at the end of the previous year had sold as low as 70 and started in 1921 at 72 to 74, steadily advanced until it reached a high of 109 in December (Equal to \$218 for two shares, as compared with \$167 quoted in April 1920 before the stock dividend for a single share previously held). Quotations for Amoskeag common in the 70's with a yield of 8 to 8½ per cent represented a situation that was too good to last. The higher prices brought the yield on this stock dividend to 5½ to 6 per cent. They were probably in line with what might be expected from the business outlook at the time, but the yield was still very satisfactory.

In the trade comment on the value back of Amoskeag common stock during the war years, special emphasis was placed on the fact that the company's assets were actually substantially larger than the balance sheets indicated. Even on the latter basis, however, the 1919 report showed an increase in net working capital of \$14,578,000, bringing it up to \$34,480,018, equivalent to about \$133 on the common, after allowing \$100 a share on 115,200 shares of preferred, which was generous in view of the market price of \$80 on that issue. The common stock averaged \$116 during 1919. Of course this only told half the story, as it didn't give any consideration to the value of the plant, which although carried at only \$3,000,000 could not be replaced for less than ten or twelve times that

amount, and on that basis represented a value of \$214 per share, which meant a total asset value for Amoskeag common of \$347 a share. When making this appraisal investment bankers and dealers in securities stated that the advance in quotations from the lower 80's to the 140's was an attempt to come nearer to discounting the values of the company's net quick and plant.

In the 1920 statement, when the common stock was selling at 125 to 130, Amoskeag had \$37,702,670 of net quick, an increase of over 3 million which as in several preceding years included a substantial amount of Liberty Bonds, although this investment was not *indicated* in the balance sheets. On the increased capital *net quick was* equal to \$80 a share on the common, or \$160 on the old stock. ~~It~~ had been selling for a long time under *those* figures, which meant that the company had more liquid assets than the shares were selling for on the market. The plant alone *at* a conservative estimate of \$25,000,000 was worth *more than* the market price of *the common*. On the basis of all shares of stock, 445,600 priced at around \$75, market value *of* between 34 and 35 million ~~which~~ was not even enough to pay for net quick and represented an equity in the plant without cost.

The 1921 net quick obtained after deducting only \$280,000 of notes payable, compared with \$1,818,942 and \$2,682,522, in the two previous years, amounted to \$37,175,400, and, although down about 5 or 6 hundred thousand, was after deducting the amount of the preferred at a fair market value of \$80, still equal to \$84 for the common. The investment in the largest cotton mill continued to be appraised at a small fraction of its cost or worth.

Those who analyzed Amoskeag's published income accounts and balance sheets, either as shareholders or dealers in its securities, liked to point to the tremendous reserves that were being accumulated by the company during its best years, and always had a feeling that these were much larger than Amoskeag statements indicated. That this tremendous textile manufacturing organization had substantial "hidden assets" was also pretty well known to the general public. The current arguments were that it was quite evident from a comparison of annual reports that the increase in net quick assets was much larger than corresponding credits to surplus from income. Furthermore, as all reserves were lumped to-

gether with surplus under the general heading of profit and loss there was no way of knowing the proportion of the general amount that represented one or the other of these accounts. It was also stated that the strength of the company's current position was not always sufficiently reflected in the quick assets figures, which were lumped together without any way of knowing how much of the amount represented merchandise, accounts receivable, investments or cash. The management's traditional understatement of inventory resulted in hidden reserves that weren't evident from the balance sheet, although certain amounts derived from this source were later added to surplus.

It was also well known that Amoskeag enjoyed a substantial income from investments outside of the regular manufacturing operations, including real estate Government and other securities. The company accumulated a huge amount of Liberty and Victory Bonds between 1917 and 1920 but the exact amount held and the income received was not made public until some years later. Some outside investments were referred to in the company's detailed balance sheets from time to time, but the profits from them was not identified or indicated. One of a number of items of this kind was the company's ownership of 5000 shares of Claflin's Inc., the large dry goods concern, which were valued at cost, \$100,000. That the company's income from investments was substantial was indicated by some figures given out in 1925 at the time of the reorganization. It was then stated that from December 1, 1912 to May 31, 1925 income from investments had totaled \$6,912,007.

It will be remembered that Amoskeag had discontinued showing in its income account the amount set aside for "guarantees", but in 1925 it became known that \$1,903,483 had been accumulated in this account. One source of income that was more or less indefinite until 1925, as far as the general public was concerned was revealed in that year in an interest account, which was said to amount to \$6,300,000 and had been transferred to surplus. Another hidden item was the "suspense account" of \$3,000,000 previously mentioned. This was credited in November, 1918, apparently as an offset against the value placed on land, water power, mills and machinery in the trial balance sheet of November 29, 1911,

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following the recapitalization in that year.

The average number of employees at Amoskeag was 12,515 in 1917 and 12,076 in 1919, or more than 47 per cent of all the industrial workers in Manchester during these years. The company's largest payroll year was from October, 1919 to September, 1920, when a total of \$14,750,000 was distributed in wages. The 1920 payroll was \$13,284,186, ~~and~~ more than double that of the ten years before (1910).

There were frequent advances in wage rates during the war. *Increases of* 7½ per cent were announced in May and October, 1917; 10 per cent in April, 1918, and 12½ per cent in June of the same year. This was the seventh advance since January 1, 1916 and meant the addition of over a million to the payroll. Because the increase had been 15 per cent elsewhere Amoskeag employees went on strike in July, called by the U.T.W. This was the first trade union strike at Amoskeag since 1886, when the Knights of Labor waged an unsuccessful one. It will be remembered that as all departments of the company were on war orders at the time the Secretary of War dispatched an arbitrator to Manchester. The strike was settled in five days with an award of an additional increase in wages to make the total 15 per cent. There was a loss of \$236,500 and *of* considerable time needed for production of textiles for the Navy. The union added 5,000 new members as a result, and in the succeeding four years it was a factor in employer-employee relationship, although it had gained no more than a foothold at this time. The management met with representatives of the Manchester Textile Council (10 locals) and established an adjustment board to meet with grievance committees set up by the union members in each department, but there was no arrangement for union checkoff of dues or of closed or preferential shop. Future disputes were sent to the Federal War Board.

In his annual message in 1917 the Governor of New Hampshire advocated the reduction of the work week from 55 to 54 hours. This recommendation was discussed in the February issue of the "Bulletin" in an editorial on "Question of the Hour" signed by Agent H.F. Straw.

Mr. Straw called attention to some of the problems of Amoskeag at that time. He said that the climate and other physical conditions of New Hampshire were the

The University of Chicago is a private research university located in Chicago, Illinois. It was founded in 1837 and is one of the oldest and most prestigious universities in the United States. The university is known for its commitment to academic excellence and its wide range of research programs. It has a long history of producing world-class scholars and leaders in various fields of study. The university's campus is home to numerous libraries, museums, and research centers, providing a rich environment for learning and discovery. Its diverse student body and faculty members from around the world contribute to its global perspective and intellectual vibrancy. The University of Chicago continues to be a leading institution in higher education, dedicated to advancing knowledge and fostering innovation.

least favorable to cotton spinning of any state. Its mills had to pay the highest amounts for freight, cotton and coal and for shipping goods to New York and the West. He declared that the cost of labor was the most important factor in competition with Southern mills and that in many cases wages in the latter were not more than half those at Amoskeag and generally could not average two-thirds of the wages paid by the company. Certainly the South was not twice as efficient as Amoskeag, he said. The company's payroll at the time was $7\frac{1}{2}$ million a year. He added that the amount paid to stockholders since reorganization in 1911 was less than 4 per cent and that it was less than the amount of raises in 1916, and it was absurd to talk about vast profits and dividends. He stated that the reduction of one hour a week seemed small, but it would cause some one in New Hampshire, either employer or employee, \$300,000 a year.

Mr. Straw also noted the fact that while in New Hampshire cotton spindles had increased by 155,991 from 1906 to 1916, there had been gains of 1,530,973 in North Carolina and 1,239,129 in South Carolina. He explained that the greater part of the increase in this State was due to the building of the Coolidge Mill. Outside of that the New Hampshire gain in cotton spindles was barely 3 per cent. In the same period Riverside & Dan River Mills in Virginia, Amoskeag's chief competitor in gingham and other colored yarn fabrics, had increased its spindles by 300,000. In connection with this discussion it is interesting that by 1921 the number of cotton spindles in the South already represented 85.4 per cent of the number installed in New England, where a ^{peak} of 18,388,000 was reached in that year. This reference to Southern competition is especially interesting, as it became an increasingly important problem for the company in the following years. Amoskeag was the last of the large textile mills in New England to succumb to increasing costs and southern competition. The war probably had the effect of postponing needed readjustments at the mills and the inevitable day of reckoning.

Regardless of opposition to the 54-hour law by Amoskeag and other New Hampshire mills the measure was passed and became effective January 1, 1918. On December 15 of the preceding year a new schedule of running time was

announced in the "Bulletin". By the first of February, however, the company was working only five days a week, shutting down Mondays because of Secretary Garfield's fuel order. Part of the lost time was later made up, however. It was in this month that the national 48-hour week was put into effect as the result of a continued campaign by the unions. Most New England mills had already adopted it after bitterly fighting it for a number of years.

In May 1919 the Manchester Textile Council requested a 15 per cent wage increase to become effective June 2. Within a week the company acceded to the request, with the stipulation that the agreement remain in force to the third Monday in April, 1920. However, on December 1 of that same year (1919) the company gave its employes a voluntary $12\frac{1}{2}$ per cent increase in wages "due to the continued increase in the cost of necessities", although the production of the mills had declined 16 per cent in the twelve months ended November 30, 1919. A day or two before Christmas 5 per cent was paid on all yearly salaries with a promise of similar amount on June 1, 1920, if ^{the} present rate of wages remained unchanged. This was really a ten per cent increase in salary payable in two installments. May 29, 1920 a fifteen per cent increase in wages became effective. Within a week, however, there were unmistakable signs of approaching depression, particularly in the worsted section and by the end of July this department was shut down completely because of "business conditions and the uncertainty of the coal supply". It remained closed until January, 1921, when operations were resumed on a part-time basis. The cotton section began to feel the effects of the depression by October, 1920, when three weaving departments went on a three-day schedule and one spinning department was shut down. In December the entire cotton section was to run only the first three days of each week until further notice. Although more than two months previous the company had announced a 33 $\frac{1}{3}$ per cent price reduction on gingham, napped goods, shirtings, tickings and denim, ~~these~~ reductions failed to prevent short-time operations and a complete shut-down for two weeks ending January 3, 1921. When operations were resumed on the latter date, a $22\frac{1}{2}$ per cent reduction in the wage scale was put into effect. The majority of New England Mills announced a similar reduction at this time.

From 1914 to 1918 wage rate changes had kept pace with the rising cost of living. It was not until 1919 that wage rate increases exceeded the cost of living index. This divergence increased in 1920 and became considerable in 1921, despite the 22½ wage reduction in that year.

When the wage cut of 22½ per cent became effective electricians and others in the mechanical department sought through the adjustment board "to determine whether a working agreement(would)...be arranged between the union and the management". The management through Agent W. Parker Straw impressed upon the committee, from the mechanical department which visited him, the fact that irrevocable minimum prices had been established by Amoskeag and that this added to the fact that raw material had been considerably reduced in price was the only reason why the company could run the mills at all. He said that he could see no advantage in entering into another agreement and called attention to the fact that the management had signed none with slasher men, loom fixers, grinders etc. He added that facilities were available for meeting grievance committees and that they were welcome to come to the office at any time to discuss matters of common interest. In his opinion the agreement had been a disadvantage "for the reason that it got away from the basic idea of all being in the same boat". The electricians' union representative then remarked that it looked as if they would be forced to take this cut at this time "not through their inability to stop it, but because he did not want to be the person to set the match to the already built bonfire that would cause a condition throughout New England that he would hardly care to picture". This was an illustration of the kind of situation that continued throughout all of 1921, with the company attempting to maintain a position of neutrality with regard to union acts and membership. The showdown came with the disastrous nine months' strike in 1922. The increasing strength of the unions had been well illustrated on October 1, 1920 when a big convention of textile workers was held in Manchester with "fine program for the entertainment of delegates."

The wage cut in 1921 was a last resort in Amoskeag's continued efforts to reduce labor costs. It had already tried different methods for speeding up production by increasing the work load. In March 1920 the management wanted to

increase the number of frames tended by warpers from three to seven, but the union insisted that they shouldn't run more than three because on more than that number they couldn't produce good work. Piece rates were substituted for hourly ones for hand folders in September 1920 for the purpose of making possible a 25 per cent increase in production with a resulting gain of the same amount in wages. The Agent said that the existing method of limiting production was economically wrong and "that this nation wouldn't get ahead if everybody loafed on the job." On the day of the wage cut the adjustment board announced that there was no limit on the number of warps put in by any fixer in any length of time, but more work by him did not mean additional pay for the job. When a price reduction was announced in March 1921 from $37\frac{1}{2}$ to $12\frac{1}{2}$ cents a yard on napped goods, it was explained that this action was taken in view of the radically changed outlook in raw cotton and prospects for reduced production costs.

Later in the year the union reported that loom fixers in the worsted section "were being driven to death". The adjustment board met in October to determine whether worsted weavers would be justified in registering a complaint concerning the six-loom experimental job. Two months later the status of this situation was illustrated by the statement of the union representative to the board advising "that he thought that the final solution of the six-loom problem would probably be for the weavers to hold a meeting and 'tell the management to go to hell', as far as the six-loom set was concerned". Greater production by doffer was attempted by increasing the number of sides tended from 50 to 56. The union complained that the management in its efforts to increase production per operative was instituting a scientific method of decreasing wages by increasing the length of the cut and that the only satisfactory method of remedying this condition as far as the operatives were concerned was to increase the wages on the different operations, not perhaps in direct proportion to the increase in yards, but substantially. The above illustrates some of the disputes with labor which created increasingly difficult conditions for the company in its efforts to insure efficiency and reduce costs and finally came to a head in the nine-months strike of 1922.

Nine of the twelve trustees of the Amoskeag Manufacturing Company continued in office through the whole of the 1916-1921 period. They were George Wigglesworth, President; Frederic C. Dumaine, Treasurer; Charles Francis Adams, William Amory, Frank P. Carpenter, Charles E. Cotting, Philip Dexter, Galen Stone and Alvah W. Sulloway. The business, banking and other outside interests of these trustees have been previously mentioned. Toward the end of the period, April 20, 1921, Mr. Dumaine also became a director of the Eastern Steamship Lines and remained on the board until February 26, 1925. In the former year he had been elected treasurer of the Moore's Falls Corporation of Manchester.

One of the three new trustees was George Peabody Gardner, who succeeded his father, George A. Gardner, in his Amoskeag and other interests, following the death of the latter in 1916. Gardner Sr. had been director or trustee of the Amoskeag for 32 years. George P. was president of the Lawrence Manufacturing Company and Great Falls Manufacturing Company and a director of the Dwight Manufacturing Company. He was vice-president of the Chicago Junction Railways and Union Stock Yards and president of the St. Mary's Mineral Company. His other directorships included the General Electric Company, Mayflower Old Colony Copper Company, American Telephone and Telegraph Company, Boston Elevated Company and Old Colony Trust Company. He was president of the Children's Hospital, vice-president of the Massachusetts Hospital Trust, manager of the Massachusetts Charitable Eye and Ear Infirmary and a trustee of donations.

Robert Winsor succeeded George Von L. Meyer on the board of trustees. Mr. Winsor, who had been with Kidder, Peabody & Company, investment bankers in Boston since 1880, following his graduation from Harvard and at this time was a member of the firm. He was one of the shrewdest and most influential of Amoskeag's financial advisers and by some is credited with having recommended the acquisition of government bonds with the company's war profits. Mr. Winsor was a director in several textile companies, including Union Mills, Bigelow-Hartford Carpet Company, American Felt Company, Daniel Green Felt Company and United States Worsted Company. His directorships included U.S. Steel Corporation, New England Coal & Coke Company, Boston Consolidated Gas Company, Boston Elevated Company,

Lime Rock Railroad, Lawrence Building, Inc. Winchester Repeating Arms, Waltham Watch Co., Mystic Iron Works and Peabody Trust Company, E. Howard Church, Mississippi River Power Company, Beacon Oil Company. He was trustee of the Massachusetts Gas Company, New England Fuel & Transportation Company, Mystic Steamship Company, Boston Y.M.C.A., Christian Union Permanent Fund, Boston Dwelling Houses etc.

When T. Jefferson Coolidge, Amoskeag's grand old man, died in 1920 he was succeeded by Francis R. Sears Jr., banker and trustee. This was the last change in the board of trustees until 1925.

From time to time the textile trade wondered about the number of shares held individually by the Amoskeag trustees, but the ownership of stock by the different members was not divulged. Apparently there were no single blocks large enough to exert a significant influence on the company's management. However, because the trustees included some of New England's leading trustees of estates, trust funds and trust institutes, the amount of stock they controlled or influenced through these ^{and} family connections was extensive and substantial. At any rate, the stock of other shareholders usually voted in favor of the trustees' proposals because of confidence in their judgement and ability.

Herman F. Straw continued as agent at Amoskeag during the First World War. On June 20, 1920 he was succeeded by his son, W. Parker Straw. Mr Straw Sr., had been agent in charge of all manufacturing operations since 1885, not only during the years of the great expansion of the company's plant and equipment but also while it was enjoying its peak years in yardage production, dollar sales and profits, continued as secretary and consulting engineer until 1929. Parker Straw became associated with the Amoskeag after his graduation from Harvard in 1899. He was superintendent in the worsted plant at the Manchester Mills from 1903 to 1906, when he succeeded Harry E. Parker as superintendent and assistant to his father. Parker Straw was active in promoting harmony and good employe relations in the operation of the company. He was instrumental in the organization of the Textile Club and helped to promote the building of the Athletic Field. As already mentioned, Parker Straw was associated with the government in connection

with cotton goods and procurement both in Washington and Europe during 1918 and played an important part in in bond and Red Cross campaigns and various civic activities.

As one illustration of his many outside ~~civic~~ activities, ^{Parker Straw} ~~he~~ in May, 1917 gave a talk/at the Manchester Y.M.C.A. to the class in salesmanship on "How the Amoskeag Sells Cloth". He explained the various means devised to protect the Amoskeag trademark and to maintain ~~its~~ ^{the} identity and reputation which the goods have always enjoyed. The publication "Waste" issued in connection with the "Bulletin" referring to Parker Straw's activities in Manchester said that they included president of the Amoskeag Textile Club, Amoskeag Savings Bank, Greenland Village and Atlantic Shore Auto-Airline, part owner of the Nashua and Acton Railroad and "director of this and that service company."

When Parker Straw became agent, A.O. Roberts was made general manufacturing superintendent. He had come to Manchester in 1905 and at that time worked in the machine shop, engine rooms and millwright department and later was overseer in the cotton spinning section. After a year in Alaska he returned in 1908 and assisted superintendent A.W. Thompson in developing the turbo-humidifier. He was then assistant in cotton spinning to superintendent E.C. Lambert brother of Dr. Alex Lambert, Teddy Roosevelt's physician. In 1911 he was transferred to be assistant superintendent of the Worsted Department. When superintendent Marshall died in 1918, Mr. Roberts ^{succeeded him as head of that} ~~Worsted~~ Department, a position he held until the 1920 appointment.

At the same time H.E. Thompson was made general superintendent of the Mechanical, Power and Electric Departments and Frank R. Vose succeeded M. Thompson as superintendent of the Machine Shop. Mr. Thompson had been elected superintendent of the Mechanical Department in 1912, later the Electrical Department was added.

Frequent mention has been made of the Amoskeag Textile Club and its semi-monthly publication, the "Amoskeag Bulletin", and of the important part they played in employe activities and information and in the promotion of better relations between employes and management, under the presidency of W. Parker Straw.

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Its contribution to the war effort was outstanding. Early in 1917 it had asked for the old Library Building for a Club House and set up quarters there after the company had acquired the property and remodelled and furnished it, although the House was not formally opened until May, 1918. The Club continued to sponsor sports events to the extent possible under war conditions. The Amoskeag School of Instruction, one of its other activities, awarded 30 diplomas in 1917. In that year the Club had a membership of 1700 and was campaigning to increase it to 3000. The Fifth Annual Show of the Textile Club was held in September, 1918.

The activities of the Club in 1920 included the sale of ready-made clothing. It announced in May of that year that it would purchase from a reliable concern a supply of heavyweight woolens that had been made in England under government inspectors for discharged soldiers. This clothing included 800 suits to be sold at \$18. It was stated that close to 700 of these could be disposed of. The Club at that time also had charge of the selling of wood stove lengths from Amoskeag pine forests on the Hooksett. In August, 1920 it announced that it would remove its remnant selling headquarters to a new location. The change took place in December. The small building on Canal Street previously used was abandoned and the business hereafter conducted in the old army office building on Bridge Street.

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Amoskeag History
(June 1, 1921-June 30, 1926)

In 1922 Amoskeag's extensive plant at Manchester, N.H. was already the largest of its kind in the world. It was still further expanded in June of that year by the purchase of the adjacent Stark Mills from the International Cotton Mills and by the merger in 1925 with the Parkhill Mfg. Co., ^{or} leading producer of fine gingham, of Fitchburg, Mass., which also owned a small spinning mill and cotton lands at West Helena, Ark. The new million-dollar hydro-electric development on the Merrimack was completed in 1923. The company's total spinning and weaving equipment at the peak included some 700,000 cotton spindles and between 25,000 and 26,000 looms and 70,952 worsted spindles and 1723 looms. But continued unfavorable conditions in the cotton industry in general and particularly in gingham, Amoskeag's mainstay for many years, made it difficult and at times impossible for the company to use this tremendous equipment to best advantage.

Because of a nearly ten months' strike from February to November, 1922, cotton and worsted cloth production at Amoskeag in the fiscal years ended May 31, 1922 and 1923 amounted to only 132.6 and 116.5 million yards. Sales in the latter year were only 96 million yards. It will be remembered that in 1912 and 1914 production and sales had averaged 235 to 236 million yards. The decline in sales resulting from unfavorable market conditions, increasing manufacturing costs and southern competition seriously affected Amoskeag's earning capacity. It had already in 1921 shown a deficit after dividends. The only previous instance was in 1914, when the amount was only \$13,913, compared with \$1,250,951. From 1922 to 1926 the company continued to show large deficits after dividends. The total for the five years was over 13 million dollars, nearly half of it in 1923-1924. The first operating deficit, \$75,483, was reported in 1923. Another in the following year amounted to \$2,851,131. In spite of inclusion of income ^{from} investments in some years, Amoskeag reported a total loss from operations of nearly \$6,299,664 in the 1921-1926 period.

In his statement to stockholders at the annual meeting, in October, 1924, Treasurer Dumaine said that he regretted that "it fell to his lot to make one

of the poorest, if not the poorest, reports ever presented to them." He explained that during the past year there had never been a time when it was possible for the company to purchase cotton, convert it into finished goods and dispose of them on a basis yielding the slightest profit. In his opinion the outlook for the cotton industry in general was a gloomy one, but he added that "fortunately in better years gone by Amoskeag had retained a reasonable surplus for just such times as these."

In the preceding month (September) Agent W. Parker Straw, in one of his periodical statements to employe representatives in convention under a plan that had been in operation since May, 1923, suggested that they accept a 20 per cent wage reduction to enable Amoskeag to quote lower prices on their goods in order to stimulate business and allow the company to compete with other mills in other sections of the country. The employes' compromise offer to accept a 10 per cent reduction for six months was finally accepted by the Agent, although he said that he did so "with an expression of sorrow for the action taken". He insisted that it wouldn't be enough to assure reasonably full operation of the mills. He also declared that if the existing wage rate were continued it was a matter of "grim necessity" that every individual employe "do a big day's work" and cooperate with the management to the fullest extent.

When the trustees announced that the common dividend due November 1, 1924 would be passed, they explained that this action was made necessary by "uncontrollable conditions in the textile business." They added that they "trusted that the owners will agree that the preservation of the property and the maintenance of its resources is of greater importance." No further payments were made on the common stock and dividends on the preferred were discontinued after February 2, 1926. The Amoskeag had had an uninterrupted dividend record up to 1924.

The real turning point in the company's history of this period came in 1925, when a new voluntary trust called the Amoskeag Manufacturing Company was organized to operate the company's plants. The original trust was continued as the Amoskeag Company and became a holding company, which retained some \$18,000,000

of Liberty Bonds and other Amoskeag investments to protect them from the risks of manufacturing. In payment for the assets turned over to the operating trust the holding company received about 90 per cent of the latter's no par 6 per cent preferred and common stock. The details of this reorganization and of the advantages expected from the acquisition of the Parkhill Manufacturing Company by the Amoskeag Manufacturing Company, as well as of the efforts of the new company to develop other products, including rayon fabrics, to take the place of gingham, which in 1925 represented only 37 per cent of production compared with 68 per cent in 1912, will be explained and described later.

It might be noted here with regard to the company's position in 1925 that at the special meeting of shareholders on August 25 at which the reorganization plan and Parkhill merger were approved, Treasurer Dumaine declared that the cotton goods business in general had been in a deplorable position in the past two or three years and that during the 40 or more years he had been connected with the Amoskeag he had never seen a time before when the industry in New England had been through what it had recently experienced. It will be remembered that Mr. Dumaine this year was completing his twentieth year as Treasurer of the company.

In the five fiscal years 1921-1926 Amoskeag produced about 628.7 million yards of cotton and worsted cloths. No bags had been made since 1921, when output was 11,754 and sales, 82,114 units. The cloth production of the current period compared with 825.7 million yards in the preceding five years and the peak of 1,117,553,400 in 1911-1916. The 594.5 million yards of cotton cloth produced in the current five years was about 184.3 million and 456.8 million less than in the two preceding periods. The more than 34 million output of worsted cloth in 1921-1926 compared with 46.8 and 66.2 million yards. Peak cloth sales of 1,116,600,000 yards in 1911-1916 had been reduced to about 832 million in the next five-year period. In the first three years of the current five years they totalled only 377.6 million, with a maximum of 143.3 reported in 1924 and a low of 96.2 in 1923. Continued at the same average rate in 1925-1926 the sales for the five years would have been about 630 million, but they

were probaly somewhat less. The figures for the 1925 sales are not available. However, if the relation between production and sales in that year was similar to that for the thirteen months ended June 30, 1926, when production was 151,701,298 yards and sales 141,059,164 yards, the figures for 1925 might be estimated at close to 84 million yards sold. On that basis sales for the five years might have been approximately 603 million yards. The 1921-1926 production was distributed between cotton and worsted cloths approximately as follows:

Amoskeag Manufacturing Company Cotton and Worsted Cloths Produced
(June 1, 1921 to June 30, 1926)

<u>Year</u> (Ended May 31)	<u>Cotton</u> (yards)	<u>Worsted</u> (yards)	<u>Total</u> (yards)
1926 (June 30)*	143,812,000 (est)	7,890,000 (est)	151,702,000
1925	84,500,000	5,140,000	89,640,000
1924	130,484,000	7,770,000	138,254,000
1923	110,350,000	6,190,000	116,540,000
1922	125,427,000	7,150,000	132,577,000
Five-year totals	594,573,000	34,140,000	628,713,000

*Thirteen months, including Parkhill from July 1, 1925.

As in preceding periods, gingham constituted the largest single item in Amoskeag's production. In the five years the percentages were as follows: 1923-52 per cent; 1924-49 per cent; 1925-37 per cent and 1926-39 per cent. They were of course, also making napped goods, chambrays, bleached madras, crash towelings, denims, sheetings and worsted dress goods, whose, brand names have been referred to previously. After 1925 their cotton fabrics included Parkhill's famous Toile du Nord and other fine dress goods. Among the worsteds were serges, chevots and panamas.

The chief production problem after 1924 was to find substitutes for gingham. The seriousness of the situation became particularly acute in 1925. Amoskeag acquired Parkhill in that year. Its fine gingham were expected to supplement the production at Manchester and improve sales opportunities. The company was also developing plans for the production of other fabrics to insure complete operation of its tremendous spinning and weaving equipment. In the latter part of August, 1925 it was reported that Amoskeag in the near future would offer "rayonized" fabrics. They were said to comprise three lines, handsome in appearance and likely to result

It is a common mistake to think that the only way to get a good result is to use a lot of force. In fact, the best results are often obtained by using a small amount of force, applied in a steady and consistent manner. This is especially true when working with delicate materials or when the goal is to achieve a specific texture or finish. The key is to find the right balance of pressure and speed, and to maintain that balance throughout the entire process.

The following table shows the results of a series of experiments conducted to determine the effect of different factors on the final product. The data is presented in a clear and concise manner, allowing for easy comparison and analysis.

Factor	Result 1	Result 2	Result 3
Temperature	100.0	100.0	100.0
Pressure	100.0	100.0	100.0
Speed	100.0	100.0	100.0
Time	100.0	100.0	100.0
Material	100.0	100.0	100.0
Operator	100.0	100.0	100.0
Environment	100.0	100.0	100.0
Equipment	100.0	100.0	100.0
Method	100.0	100.0	100.0
Procedure	100.0	100.0	100.0
Protocol	100.0	100.0	100.0
Standard	100.0	100.0	100.0
Control	100.0	100.0	100.0
Check	100.0	100.0	100.0
Verify	100.0	100.0	100.0
Validate	100.0	100.0	100.0
Confirm	100.0	100.0	100.0
Test	100.0	100.0	100.0
Measure	100.0	100.0	100.0
Calculate	100.0	100.0	100.0
Record	100.0	100.0	100.0
Report	100.0	100.0	100.0
Review	100.0	100.0	100.0
Final	100.0	100.0	100.0

The results of the experiments show that the final product is highly dependent on the factors listed in the table. The most significant factors are Temperature, Pressure, and Speed, which all have a direct impact on the final result. The other factors, such as Time, Material, and Operator, also play a role, but their impact is less pronounced. The data suggests that a consistent and controlled environment is essential for achieving the best results. The following table provides a summary of the findings and offers recommendations for future work.

100.00
100.00

The data indicates that the final product is highly sensitive to changes in the input factors. This suggests that a high level of precision and control is required throughout the entire process. The following table provides a detailed breakdown of the results for each factor, allowing for a more thorough analysis of the data. The data shows that the final product is most affected by changes in Temperature and Pressure, with Speed also having a significant impact. The other factors, while still important, have a more minor influence on the final result. The data also shows that the final product is most consistent when all factors are held constant, suggesting that a controlled environment is essential for achieving the best results.

in distinct stimulation to sales. It was added that if they proved successful, Amoskeag planned to make its own rayon yarn. At the time the company's mills were operating at only 60 per cent of capacity.

The three new lines of rayon mixtures were offered September 8, as Rayon Rayonelle, San Ray and Cherry Blossom Rayon. One of these, a rayon decorated cloth opened at 27 cents and the other two, rayon filled, at $37\frac{1}{2}$ cents and $47\frac{1}{2}$ cents. They were all 38-inch fabrics and were said to be "superior to most rayon offerings because of their firm construction, guaranteed fast colors and wide range of patterns and style content." It was also stated that they included dobby, printed yarn, striped and plaided effects, novelty yarns, lace, and overplaid work, two and three-tone effects, honeycomb and granite weaves and wide and narrow sport stripes, and all imaginable color arrangements. The finish of these popular-priced cotton and rayon dress materials was said to be "soft and the fabrics had more suppleness than most of such goods on the market and made from a different character of rayon than most lines."

The trade had known for several weeks that Amoskeag would offer some rayon lines, but they weren't prepared for what was actually shown. It was reported that the new fabrics were highly endorsed by New York buyers and that Boston people who had examined some of the "rayonized" cotton samples declared they were "the most beautiful they had ever seen." Following this fine reception of Amoskeag lines, it became known in the market that the company's plant at Manchester for the manufacture of its own rayon requirements was really nearing completion and was expected to be in production in a short time.

When the new rayon lines were offered in the early fall of 1925, just after the Parkhill had been acquired, it was stated that they would supplement two lines of highly styled novelties and gingham in all cotton that had been previously opened under the brands Hampshire novelties and 19000 range, which had been priced at $13\frac{1}{2}$ cents in July and remained unchanged in the September 8 offering. Other prices announced on the latter date included Hampshire Novelty- $17\frac{1}{2}$ cents; Parkhill Toile du Nord-22 cents; Imperial Chambray-22 cents; Parkhill Novelty- $27\frac{1}{2}$ cents; Parkhill quality dress goods- $37\frac{1}{2}$ cents; Opalace-40

cents; Park Ray-47 cents; Braeloch gingham-21½ cents net; Glenroy-37½ cents. These fabrics were for delivery October to March. APC's and Utilities were not offered at this time.

In a meeting of employe representatives held September 25, Agent W. Parker Straw made it clear to them that to meet the company's problems it was necessary to shift production from high grade staples, particularly ginghams, which had been Amoskeag's mainstay, to the manufacture of styled fabrics. "Staple ginghams, as far as we are concerned, are hopeless," he said. "What we are interested in is diversification, including the manufacture of fancy goods such as striped flannels and rayons."

The rayon yarn unit began operation in 1926. In the March 26 issue of the "Manchester Leader" of that year it was reported that after 2½ years of experimenting the Amoskeag's rayon plant had just been put into operation and the company was now ready to supply 2,000 looms with its own rayon. Agent Straw was very enthusiastic about the outlook for Amoskeag in this new field. However, as Treasurer Dumaine said in his 1925-1926 report, the rayon unit was "a comparatively small affair" with only enough production for the company's own needs in fancy goods. In his opinion it wasn't advisable to increase it beyond that point. After a few months of operation the company stated that "the rayon department was doing remarkably well and was producing a much higher grade of rayon than was expected for the time it had been in operation."

The rayon unit was set up in NO.7 Stark Mill, near the brick stack. The yarn was spun there but reeled in NO.6 Stark. Agent Straw had a special interest in its progress, as he had made a trip to Europe for information on various processes while the project was in the experimental stage. The actual operation of the rayon unit was under the direction and supervision of ^{chief chemist} Howard Corkum. When the unit was discontinued in 1933, Mr. Corkum went to Wauregan-Quinebaug in Connecticut, then to Sanford, Me for Goodall, and after that became associated with the experimental laboratory of the American Thread Company. The dyeing arrangements were an important factor in the

production of rayon yarns at Amoskeag. Cotton yarns used in the warp of the mixture fabrics were stock dyed as is usual in a mill which concentrates on colored goods. The rayon filling was dyed in the same way on the vacuum system, in which the yarns were processed in 200 lb. layers. As there was no agitation involved, the rayon came out of the machine free of snarls. Spinning was on the top floor of the rayon unit. There was no weaving in this plant. A comparatively small quantity of white rayon yarn was produced and the bulk of the dyed yarn was for Amoskeag's own use. Some of it was sold to other mills. Buyers included Royal Little from time to time. Probably Suncook Mills was its principal outside customer. With its jacquard looms Suncook made shirtings from Amoskeag's viscose rayon and some of the shirts made from their fabrics were presented to Amoskeag officials. The Manchester company itself wove some shirtings from its own rayon and made other men's wear fabrics. In later years a large part of its rayon cloth production was taffetas for mufflers.

There were different reasons for the discontinuance of the rayon yarn plant in 1933. The opinion expressed in some quarters was that it was hampered by lack of adequate equipment and the production of rayon lines was restricted because of the limited amount of suitable machinery available. There was a feeling that enough money had not been put into the project to make it continuously successful. It was stated that the initial investment of \$121,000 was insufficient. To this amount \$164,000 more was added in 1926. The plant showed small losses after depreciation until 1927, when the first profit, amounted to \$129,000. In the following year \$184,000 more was put into the project. Production reached a total of about 20,000 pounds a week, or around 1,000,000 pounds annually. Labor problems was another explanation of the closing of the rayon unit. To keep the spinnerettes going the plant had to be operated 24 hours a day for seven days a week. The company had continuous difficulties in getting girls who were willin to fit into such a schedule. At any rate, after seven years of operation the company decided that it wasn't convenient or profitable to make its own rayon yarns.

One of the suggestions for helping to solve the problem with which Amoskeag was confronted when the market for its gingham became more or less limited, was volume production of sheets and blankets. They had 1000 looms on sheetings, including Langdon bleached 76's and G.B's. At one time it looked as though the company's entrance into the sheet and pillow case business might be realized. It is interesting that Charles F. Broughton, who later went to Wamsutta and achieved outstanding success with that mill's sheeting and sheet business and in merchandising its other well known products, was associated with Amoskeag during this period. ~~Of course~~ William Amory, one of the company's trustees for many years, was then treasurer of the Pepperell, a long-time progressive leader in this same field. It was stated at the time that Amoskeag's selling agents did not favor the company's going into the finished sheet and pillow case business, nor did they like the suggestion that the company distribute its gingham and some other fabrics in the form of made-up dresses. Undoubtedly there were a number of reasons for it, but as a matter of fact Amoskeag decided not to make sheets. They didn't do much with blankets either. They had all the equipment needed to make them except the looms. There was a tremendous napping department on the west side of the River, and a set of Davis & Furber 3-cylinder woolen cards in the worsted plant. Some sample part-cotton blankets were made up, but as the needed looms were not purchased, commercial production was not possible.

Beginning with 1924 Amoskeag built up a good business in automobile fabrics for tops, side curtains and seat coverings. It sold substantial quantities to Ford, General Motors and Hudson, especially. They had a man in Detroit to keep in touch with the auto trade. At one time the company had 150 looms operating day and night on auto fabrics. Most of these cloths were piecedyed. Amoskeag had stock dyeing equipment only. They were able to get greater output, but the higher price they had to ask for their product resulted in their losing ground to the manufacturers of piece-dyed fabrics. One fabric they made for the auto trade was a heavy two-ply warp material with a 26's yarn spun from odd lots dyed gray into a 3-ply twist. The goods

were napped and then processed with a cotton velvet shear to give them a finish not quite as sheer as broadcloth. Ford took one order for this cloth amounting to 50,000 yards, which were produced without any seconds.

Amoskeag also made linen suitings. Another product was 25 per cent flax toweling, which was not bleached but sent to Sayles Finishing plants to be mercerized. Later it produced diaper cloths which were marketed under the trade names Lullaby and Peekaboo.

The income account of the Amoskeag Manufacturing Company for the five years between June 1, 1921 and June 30, 1926 compares as follows:

Comparative Income Account (June 1, 1921 to June 30, 1926)					
	1925-1926* (13 months)	1924-1925	1923-1924	1922-1923	1921-1922
Sales	\$32,902,257	\$25,200,481	\$33,163,622	\$22,162,478	\$24,838,895
Net Income	(d) \$3,565,104	(d) \$456,032**	(d) \$2,851,131	(d) \$75,484	\$648,087
% sales	-----	-----	-----	-----	2.61
per common	-----	-----	-----	-----	.57
Dividends	-----	709,200	1,486,800	2,005,200	2,523,600
Surplus	(d) \$3,565,104	(d) \$1,165,232	(d) \$4,337,931	(d) \$2,080,683	(d) \$1,875,513
* Thirteen months from June 1, 1925 to June 30, 1926.					
** After the inclusion of \$1,094,631 income from investments. The 1926 account included \$293,728 from investments.					

Sales for the five years totalled \$138,267,643, but there was a net loss for the period of \$6,299,664. A total of \$6,724,800 was distributed during the four years when payments were made so that there was a final deficit of \$13,024,463 for the five years. 1921-1922 was the only one which showed a profit, \$648,087. There were heavy losses in the Cotton Division in every year except 1923. Surplus deficits were also reported for the Worsted Division during the period, especially in 1924, but it showed a very large profit in 1925 and a good one in 1926, although only a little more than half that of the previous year. In the first six months of 1925 the Cotton Division had a loss of \$1,219,000, but the worsted department made a profit of \$643,592.

It will be remembered that in the preceding period (1916-1921) sales totalled \$211,520,217 and the net income was \$19,972,803. After the payment

of \$7,448,400 in dividends and allowing for a deficit after dividends of \$1,250,951 in 1920-1921, there was still an increase of \$12,524,403 in surplus. Apparently the losses of 1921-1926 more than wiped out the war-time increases in surplus.

The 1921-1922 profit, the only one in this period, was equal to 2.61 per cent on sales and 57 cents^{on}/common. When Amoskeag increased the number of shares of no par common to 365,600 on May 7, 1920, the stock was put on a \$1.50 quarterly basis, which was continued until November, 1922. Payments were then reduced to \$1. and finally to 75 cents in February, 1923. No dividends on this issue were paid after August 2, 1924. The semi-annual of \$2.25 was paid regularly on the preferred until February 2, 1926. It should be kept in mind that when the new operating trust was organized in 1925 the original capital of 365,600 shares of common and 100,000 shares of preferred continued with the Amoskeag Company, the holding company, while the capital of the new Amoskeag Manufacturing Company consisted of 285,000 shares of 6 per cent preferred and 365,000 common shares, both of no par value.

An analysis of the factors involved in the profit accounts of the Amoskeag Manufacturing Company in these five years shows plainly how it was handicapped by the high cost of cotton manufacturing in that period. In the two fiscal years 1921-1923, when sales were \$23,500,000 annually and manufacturing costs, \$23,952,000, there was a net loss of \$572,603. In 1923-1924 and 1925-1926 sales and costs were \$33,033,000 and \$36,342,000 annually and there was a net loss of \$6,416,235 for the two years. Changes in inventory values reported in the income account included a very large increase of \$2,216,384 for 1922-1923 and one of only \$234,591 in 1925-1926. The decreases were \$740,793 in 1921-1922 and \$32,337 in 1923-1924. The foot-note of the above table refers to investments as another profit factor. It was well known that Amoskeag had a large income from investments. The company's policy for many years had been to set aside half of its income for plant improvement and profitable investment, including Liberty Bonds and other Government securities, as first noted in the 1923 and 1924 statements, which yielded up to a million dollars annually.

~~So~~ different balance sheet arrangements were used by Amoskeag in 1925 and 1926 and the assets and liabilities of the operating and holding companies were listed in separate statements, the figures for 1922-1924 only are presented first.

Balance Sheet
(For years ended May 31)

	<u>1923-1924</u>	<u>1922-1923</u>	<u>1921-1922</u>
<u>Assets</u>			
Plant	\$3,000,000	\$3,000,000	\$3,000,000
<u>Current Assets</u>			
* Liberty Bonds	\$ 27,200,000	\$28,900,000	\$27,200,000
Cash & Receivables	10,259,217	13,880,603	\$35,680,283 **
Inventory	4,321,622	3,867,565	-----
Atlantic Mutual Life Insurance Scrip	1,206	-----	-----
Total Current Assets	<u>\$41,782,045</u>	<u>\$46,648,168</u>	<u>\$35,680,283</u>
Total Assets	<u>\$44,782,045</u>	<u>\$49,648,168</u>	<u>\$38,680,283</u>

* The 1924 balance sheet explained that \$32,000,000 par value 4th Liberty Loan Bonds were carried at 85. On December 1, 1922 Amoskeag's holdings of these bonds totalled \$33,422,000.

** Current assets were not separately itemized in this statement.

<u>Liabilities</u>			
Notes and accounts payable.	\$14,750,000	\$16,350,000	\$ 6,250,000
Profit & Loss Reserves	30,032,045	33,298,168	32,430,283
Total Liabilities	<u>\$44,782,045</u>	<u>\$49,648,168</u>	<u>\$38,680,283</u>
Net Quick Assets	\$27,032,045	\$30,298,168	\$29,430,283

In the above balance sheets the Amoskeag plant is still valued at the nominal \$3,000,000, even though the company's properties in this period included the Stark Mills and the company's new million-dollar hydroelectric development completed in 1923. It was a fairly general opinion at this time that the manufacturing properties could not be replaced for less than \$50 million dollars. During the tax suit in 1924 the reproduction cost of Amoskeag plants was estimated at \$62,288,946 and the depreciated value, \$42,405,507.

It was explained that the replacement cost was arrived at on the basis of the price paid for the Stark, which in the combined value of the Company's physical assets represented \$13,230,000 of the total.

The city of Manchester's valuation of Amoskeag for tax purposes averaged \$33,885,700 during the years 1922-1926. It is interesting that the appraisal of the company's fixed assets as a basis for the merger with Parkhill in 1925 was close to that figure, \$33,000,000. The low point in the city's valuations was \$32,309,000 in 1922. The assessments in 1923 and 1924 were practically \$35,500,000. Amoskeag's average property tax bill in Manchester in this period was \$835,760, or about \$1.10 to \$1.25 a spindle. It was as low as \$784,400 in 1925 on a smaller valuation than in the two preceding years and reached a high of \$868,500 in 1926. In the entire period the Amoskeag assessments averaged slightly over 29 per cent of Manchester's total property valuation.

The purchase of the Stark was a logical development and had been considered a possibility for years. It was completely surrounded by Amoskeag properties and the two companies were closely associated in many Manchester activities. At the end of May, 1922, when Treasurer Dumaine made what was called a "casual visit" to the Stark Plant, the frequently reported story that Amoskeag planned to buy it was revived. Arrangements for the actual purchase were apparently already being discussed with Allan B. Greenough, vice-president of International Cotton Mills which owned the Stark, because the directors of the latter met June 1, and immediately announced that the sale would take place and that details be presented to stockholders for their approval at a meeting to be held June 19.

Amoskeag had agreed that upon delivery of the deed for the properties it would pay \$1,900,000 to International Cotton Mills and the balance of the purchase price on determination of the market value of the personal property, including all inventories. The second check was for \$700,000, which made a total price of \$2,600,000. Amoskeag was probably one of the few textile manufacturing corporations at this time which could go out and put nearly three million dollars into a mill without having to do a lot of figuring as to how it would

be able to finance the purchase. The transaction apparently didn't make much of a dent in Amoskeag's net quick. In connection with the Stark acquisition, it is interesting to recall for comparative purposes that when Sidney Coolidge sold the Stark to S. Davies Warfield for the Consolidated Duck Co., he got only \$1,800,000 for the whole business, including \$1,200,000 of net quick. Of course, the properties were in much better condition in 1922. The equipment then included good carding and hundreds of new Draper looms, worth at that time about \$400 a piece but had previously sold as high as \$700.

This was the first important property addition to Amoskeag since the building of the 102,000-spindle mill in 1909. The Stark had about 90,000 spindles and complementary weaving machinery. It was believed that Amoskeag could use this additional equipment to advantage and might possibly convert it into a colored proposition. Stark at that time was primarily a duck mill and was manufacturing substantial quantities of goods for the shoe trade. Although formerly a large producer of toweling the output of this fabric had been comparatively small since the war. Amoskeag, on the other hand, had developed a good crash toweling business and became one of the leaders in this field. It never attempted to build up any sizable duck production.

Statistics on Amoskeag equipment given in one of the textile directories of 1922, after the acquisition of the Stark, credited the company with a total of 700,000 spindles and 23,500 looms in the Cotton Division and 50 combs, 61,000 spindles and 1700 looms in the Worsted Department. Cotton spindles were given more definitely as 688,796 and 683,628 by some other authorities. It ^{had} also 12 cotton combs and 20,000 twister spindles in the Cotton Division. The products of Amoskeag included napped goods, chambrays, bleached madras, crash towelings, denims, gingham, sheetings and worsted dress goods. The company's own selling agency, which operated under the title of Jarvis, Loomis & Dunbar, had their headquarters at 34 Thomas Street, New York, with a Boston office at 115 Chauncy Street. During this period, however, the latter decided to make a change to 40 State Street, to which address the Treasurer's office had been

previously moved after many years in the Ames Building on Court Street.

The tremendous size of the Amoskeag has been illustrated in many ways. It had the largest cotton manufacturing plant in the world and represented 3 per cent of this country's industry, although on the basis of gingham and colored goods, on which the company concentrated, it constituted a much larger proportion, perhaps as much as 15 per cent. One stockholder who was well acquainted with textile manufacturing decided during this period to go all through the whole property, "not down every aisle of preparatory, weaving and finishing machinery", he said, "but through every department and every building and into every basement and attic." He did take such a trip and he needed seven working days to complete it. This extensive inspection would have required still more time if it hadn't been possible to pass from mill to mill by covered bridges.

As in every cotton manufacturing plant, the carding department at Amoskeag was an important factor in the company's operations. There were about 2300 cards and 12 cotton combs. At sometime during this five-year period one expert in this field outside of the Manchester organization, who had installed card room machinery in hundreds of mills, both North and South, gave it as his opinion that the equipment in this department of the Amoskeag was in the best condition of any he had seen. He said that it had been handled better and kept in better condition than any similar machinery in the country.

With the completion of the large new dam and power plant in 1923 Amoskeag had the greatest waterpower of any textile mill in the country. The new hydro-electric development reduced the company's power costs to the lowest possible point, a very important factor because of the increasing problems in connection with the supply and price of coal. During the first six months of operation when a maximum of 35,734 horse power was produced, up to 23,316 of the amount was generated at the new power plant. The balance was made by old wheels in the canals. Amoskeag had 34 water wheels. The company had another great water power site which could be developed at some future date to furnish an additional 15,000 to 20,000 horse power, if the coal situation should become more difficult.

Amoskeag power equipment also included three huge steam plants with 219 boilers. It is interesting that on December 1, 1923, the company's inventories included 4,311,006 gallons of fuel oil at 5 cents a gallon, or a total of \$215,550.30. In the year ended May 28, 1922, which included $3\frac{1}{2}$ months of the long Amoskeag strike, the total profits of \$648,087 were the smallest since the formation of the voluntary trust in 1911. Sales of \$24,838,805 were the lowest since 1916. The company's smallest monthly sales were reported in 1922. They included \$173,530 in June and \$446,704 in August. In 1922 income was equal only to 2.6 per cent of sales, compared with 4 per cent in 1921 and the highs of 18.2 and 7.7 per cent in 1919 and 1920, respectively. For the second year in succession earnings were insufficient to meet dividend requirements, resulting in a deficit after payment of \$1,875,000. The profit and loss of \$32,430,283 shown in the May 28, 1922 balance sheet included a reserve for the purchase price of the Stark Mills, \$1,900,000 of which was paid June 1 and the balance later. There was also a reserve of \$2,900,000 for taxes of past years on account of readjustment of Federal levies. With accounts of \$6,250,000 payable, net quick was still about \$29,430,000, better than \$1 for every dollar of sales and equal to \$88 per share on common.

Normal manufacturing operations following the 1922 strike, which started February 13 and continued into November, were not resumed until January, 1923. The fiscal year ended June 2 of that year included about seven months of only part-time operations while the strike was unsettled. It was no wonder that under such conditions Amoskeag reported the first operating loss shown by the voluntary trust. The amount was \$75,483. After dividends were paid there was a deficit of \$2,080,683. This was the third successive year earnings had been insufficient to cover dividends.

In his report at the annual meeting in October, Treasurer F.C. Dumaine told stockholders that there was a difficult period ahead for the company. He said "I cannot give a very encouraging idea of the outlook. It appears we are entering a period in which it will be difficult to dispose of all the company's products." He gave some statistics on production and of

stocks on hand to illustrate the company's unfavorable position. Production during the past year had totalled only 116,539,000 yards, including 110,353,000 of cotton and 6,186,000 of worsted. However cotton goods on hand amounted to 24,634,000 yards, compared with 4,836,000 the year before. The stocks of worsteds, 934,000 in all, compared with 420,000 yards.

The June 2, 1923 statement showed investments of \$28,900,000, consisting entirely of Liberty Bonds. Inventory was valued at \$3,867,565 and cash and accounts receivable, \$13,880,603. Presumably the inventory had been taken on a fresh basis at the end of the year and a value of \$2,900,000 introduced. The floating debt of \$16,350,000 was an unusual item. It was explained by the necessity of handling heavy back tax payments and the Stark purchase. However, net quick assets showed a gain of about \$868,000. It is interesting that there was an increase in surplus of the same amount, in spite of a deficit for the year of \$2,080,000. The figures were from \$32,430,283 to \$33,298,168.

In connection with the inventory account, attention is called to the fact that between November 30, 1922 and June 1, 1923, cotton rose 7 cents and wool, 27 cents a pound. Amoskeag had 4 million dollars profit from these increases. By ignoring these gains and figuring profit on manufactured cloth by the replacement cost of raw material, the treasurer's report showed a loss for the year. Amoskeag's reports didn't treat inventory gains as realized profits. The cost of raw materials was charged to manufacturing, and the amounts at which they were revalued at the end of the year was left to the discretion of the treasurer and the trustees.

In connection with cotton prices during Amoskeag's 1922-1923 year, it might be noted that the 21.80 cents quoted on the New York Cotton Exchange on May 23 was the highest price since November, 1920. By October, 24-cent cotton was being quoted. Price continued their advance until March, 1923, when the average for the month was 30.35 cents. Expectation of a small crop and a possible shortage of this raw material was an important contributing factor. Wool also continued strong and cloth manufacturers repeatedly revised prices upward as a result. By July it was stated that wool had already advanced 60 to 100 per

cent in the past year. Tariff hearings, particularly on the wool schedule and the final enactment of a permanent wool tariff to take the place of the Emergency, or Fordney, act, of May 7, 1921, which was discounted September 22, 1922, when the new act became effective, had an important influence on wool prices, which from November of that year advanced 27 cents in seven months.

In the three years covered in the balance sheets 1921-1924 net quick assets which the company always had available were needed to finance its very substantial cotton and wool purchases. During the period it used up to 150,000 bales of cotton in the course of the year. Even with cotton at 26 cents a pound, or \$130 a bale, close to 20 million dollars would be needed to pay for a twelve-months supply. And this doesn't take into consideration the high prices required for other raw materials, dyestuffs, etc.

A good picture of the market situation during 1922-1924 can be gained by a glance at some of the figures showing inventories of certain fabrics during different years. While stocks of gingham on May 20, 1922 amounted to only 1,744,241 yards, they had been increased to 12,406,978 yards by June 2, 1923. Then a declining trend was noted, to 10,092,797 yards in December of the latter year and then to 8,271,589 and 5,990,763 yards in May and November, 1924, respectively. Inventories of blue goods totalling 354,758 yards at the end of the 1922 fiscal year increased to 1,721,032 yards by December 1, 1923 and to 7,241,174 yards May 31, 1924. Flannel stocks in the three years started at 1,401,221 yards, then went up to 6,698,348 and 7,241,174 yards by May 31, 1924. Toweling inventories increased from 279,118 yards on May 20, 1922 to 2,084,937 on December 1, 1923 and were down to 1,348,977 yards on May 31, 1924.

The Cotton section at Amoskeag was in a depressed condition in 1923, especially in the latter part of that year, as previously noted in connection with Treasurer Dumaine's report at the October meeting. The Worsted Department operated at a fairly high and even rate throughout the year.

On October 4, 1923, the day following the meeting, the company announced that all mills except the Worsted Department would close for an indefinite

period. This was the first indefinite shutdown since 1893. The notice to employees read as follows: "Conditions in business necessitate an immediate curtailment in our cotton department at this time. Accordingly this department will be closed Saturday noon, October 6, for an indefinite period. As business improves and we are able to start various looms, notice will appear in the newspapers. The worsted and chemical departments will not be affected and will run as usual."

Trade comment on the shut-down was to the effect that it reflected the flat opening for ginghams three weeks before. This was in spite of the fact that quotations were at the same level as in the preceding year, although cotton was 5 cents a pound and wages 15 per cent higher than in 1922. Failure of buyers to respond had resulted in operations at the mills being reduced to 4 days a week at 75 per cent capacity.

Amoskeag management had always opposed the accumulation of goods and it was generally understood that the Cotton Department would not reopen until there were plenty of orders in sight. The Worsted Department would remain busy. This was not a big proposition, however, as it had only 60,000 spindles. It is interesting that the last big curtailment in this department was in 1920, when it shut down for the entire second half-year. Approximately 10,000 hands were idle on account of the suspension of operations in the cotton department.

Agent Straw, who had conferred with the overseers and representatives of employees before ~~before~~ announcing the closing of the mills, said that he was hopeful of a change in conditions and alluded to the possibility of developing business in lines other than staple goods, which were then moving slowly. He added that although the outlook was then unfavorable in ginghams and flannel lines that fact should not induce in the minds of employees or the public a feeling of extreme pessimism.

In the year ended May 31, 1924, Amoskeag suffered another heavy loss. Yardage and dollar sales were substantially larger than the two preceding

fiscal years, which were affected by the long strike, but the surplus deficit reached the very large total of \$4,337,931. The production of 138,254,000 yards included 130,484,000 of cotton cloth and 7,770,000 of worsteds. The sales were about 5 million yards larger than production, totalling 143,279,000 yards, compared with only 96 million yards reported in 1923. The \$33,163,622 sales reported for 1924 compared with \$22,162,478 in 1922. Yet there was a \$2,851,131 deficit from operations and the payment of \$1,486,800 for dividends added to this resulted in the very large total reduction of surplus.

The balance sheet shows that Amoskeag's current assets on May 31, 1924, amounted to \$41,782,045, of which Libert Bonds represented \$27,200,000 and cash and accounts receivable, \$10,259,217. Inventory of \$4,321,622 included cotton goods in process and supplies at \$707,043 and manufactured goods on hand and wool, \$3,614,579. Notes and accounts payable amounted to \$14,750,000, so that the company's working capital of \$27,032,045 was over three million less than in the preceding year. Amoskeag paid no income tax for the calendar year 1924.

In one analysis of the 1924 balance sheet attention was called to Amoskeag's policy in regard to published values of quick and fixed assets. It was stated that cash, receivables and inventory were undoubtedly carried at the lowest possible figure, although not on the very nominal basis noted in the case of plant values. Cash and receivables were of course appraised at close to par, but undoubtedly with sufficient write-off for any possible emergency. Liberty Bonds at 85 were valued at \$5,000,000 below their par value. It may be supposed that the more than \$4,300,000 of inventory represents just as great a write-off. For example, there is a possibility that cotton was carried at much less than 50 per cent of market value, and the same may be true of wool. Although cotton at the time the balance sheet was made up was probably worth something like 28 cents a pound, the management knew that it had seen this raw material sold and delivered at the mill at under 8 cents and realized that the same condition might exist again and for that reason it was believed to be the safest policy to carry the cotton at the lowest figure possible.

The continued heavy operating losses that Amoskeag suffered in these years showed very clearly that it was in a period of declining activity. The unsatisfactory situation was referred to by Treasurer Dumaine in his report at the annual meeting held October 20, 1924. His complete statement to stockholders follows:

" This report is one of the poorest, if not the poorest, ever presented for your consideration, and I am sorry indeed that it falls to my lot to present it to you.

These figures show that the period under discussion offers an excellent illustration of the restrictive effect of high prices of cotton and the high cost of manufacturing combined.

During the past year there has never been a time when it was possible to purchase cotton, convert it into finished goods and dispose of them on a basis yielding the slightest profit.

This condition has also prevailed in the worsted department.

The most unfortunate part of it is that I am unable to tell you at the moment anything which might encourage you as to any improvement in conditions in the immediate future.

It would seem that so extended a period of unprofitable business must sooner or later end. The management, however, sees no such possibility at present and would be satisfied if the mills could be run fairly full and pay a reasonable wage without a destructive loss.

Every known economy consistent with safety and proper care of property has been instituted and all unnecessary work discontinued.

Fortunately in the better years gone by, a reasonable surplus has been retained for just such times as these which enables us to maintain a proper upkeep and has justified the board making a decision which otherwise would not have been possible.

The management greatly regrets the necessity of the drastic curtailment of operation, and the impossibility of continuing employment for the greater number of loyal people who for a long period have worked in the mills, but it has been impossible to dispose of the output, and curtailment has therefor been compulsory.

The relations between the company and the employes are amicable and ~~th~~ there is a tendency to cooperate and trust each other. It is desirable that these relations continue. Upon the success of the venture depends the welfare of both the employes and the company.

Since last year's meeting the new dam and power station have been completed and placed in operation. During the first six months of the year an average of 23,596 horse-power, based on 54 hours weekly, was developed from water alone. The maximum amount during the period was 35,734 and the minimum 7,671 horse-power. Of this total the new power station produced an average of 15,650 with a maximum of 23,316 and a minimum of 6,331 horse-power. The balance was made by old wheels in the canals.

During the spring and frequently in the fall, great quantities of water pass over the dam which it is impossible to utilize.

In connection with others located upon the Merrimack, flowage rights have been acquired and a new dam built at Merrymount Pond, in New Durham, which will tend to help maintain a more even flow in the river.

Some general scheme should be devised and eventually carried out by which the water during freshet periods can be stored back in the country and used in the drought of summer months.

The advancing cost of fuel for steam makes it imperative to take advantage of this as well as all other opportunities for savings, if New England is to continue operations against the infinitely lower cost of manufacturing in other parts of the country.

My whole life has been spent in the service of this great New Hampshire industry and my keen interest in its property constrains me to point out to the citizens of this State the danger of so changing the laws as to make it

harder to continue manufacturing. Many New Hampshire people have substantial investment in her industries and the livelihood of a large part of the people directly depends upon the operation of these industries. To restrict further the hours of labor will endanger both.

Many workers fear the effect upon their welfare should the hours of operation be reduced, for it is as sure as night follows day, that the same wage could not be paid for a shorter day. Moreover, it is evident that shorter hours will postpone the time when the mills can give full employment. Our product must compete with goods made in other states, which permit longer hours. The time will come when it will be possible for us to make goods at a profit and it will come sooner with a 54-hour week than with a shorter one. We do not enjoy any vital advantage over other sections of the country. If ~~an~~ artificial restrictions, from which these sections are free, should be increased, we can't expect to compete with them. New Hampshire needs legislation based upon the theory of common sense, enacted with care and thought, and for the good of the greater number."

An important turning point in Amoskeag history took place August 7, 1925. On that date the trustees unanimously approved a plan for the sale to a new voluntary association, or trust, of all of the company's fixed assets, current bills and the accounts receivable and six millions in cash and for the acquisition of the Parkhill Manufacturing Company of Fitchburg, Mass. by this new organization. The plan was explained in a letter to shareholders who were asked to attend a meeting August 25, to act on it. It was stated that the new trust, to be known as the Amoskeag Manufacturing Company, would own and operate the plant facilities at Manchester and Fitchburg. The existing trust would be hereafter called Amoskeag Company and as a legal continuation of the original 1911 association would retain all cash above the six million mentioned and all investments and securities, and as a holding company only would conserve these quick assets accumulated in past years from the future risks of manufacturing. It would continue its interest in the operating organization through stock ownership and while protecting the retained assets would also

benefit from any profits that might be made from manufacturing operations when conditions improved. Unfortunately the depression in the New England cotton industry lasted for ten years more.

The new voluntary association would have an authorized capital of 285,000 six per cent preferred and 365,000 common shares, both of no par value. Dividends on the preferred would be cumulative after January 1, 1929. The mills machinery, land and water-power of the Amoskeag and Parkhill would be paid for in stock of the new company on the basis of one share of common for each \$100 value as appraised by Charles T. Main Inc. on June 1 and July 1, respectively. The new company's preferred would be distributed to present stockholders of Amoskeag and Parkhill on the basis of one share for each \$100 of quick or working capital. When the plan was first considered, merely as a basis of comparison for merger purposes, the two properties were valued at \$36,500,000, including \$33,000,000 for the Amoskeag and \$3,500,000 for Parkhill. By the Charles T. Main appraisal the combined value of the fixed assets of the two companies was placed at \$27,040,452. After deducting depreciation for machinery, there was a net value of \$16,695,843.

Details of this arrangement when worked out would result in the Amoskeag Company, or holding company, receiving 330,000 shares of new common for \$14,480,320 of fixed assets and 264,720 shares of preferred for \$26,681,521 of quick assets, or a total of \$41,161,841. These shares represented 92 and 90 per cent, respectively, of each kind of stock in the operating company. The cash and investment securities which the holding company retained were valued at \$18,686,707. Payment for the Parkhill totalled \$4,103,181, including 35,000 shares of new Amoskeag Manufacturing common for \$1,971,617 of fixed assets on a depreciated basis and 18,895 shares of preferred for \$1,985,033 of working assets, as well as \$146,531 net in cash for the Delta Co., a total of \$4,103,181. In other words, the 285,000 preferred and 365,000 of common stock of the new operating company distributed as above noted represented payment for fixed and quick assets with a total estimated value of \$45,265,022.

In their letter to shareholders the trustees stated that after giving the matter serious consideration they were of the opinion that the organization of a separate operating company and the consolidation of the Amoskeag and Parkhill would be advantageous. The merging of the two manufacturing companies should give the Amoskeag an even stronger position in the textile field than it then held. The new operating company would have a strong financial structure and should have large earning power. It was explained that the products of the Amoskeag and Parkhill, the latter a manufacturer of fine gingham, would be largely complementary rather than competitive. The organization and management of the Parkhill would be valuable in carrying on the combined business. The economies which could be made in production and marketing fully justified the creation of a new organization, the trustees declared. Attention was also called to the fact that substantial advantages were also expected because the company would be able to produce at each plant the kind of goods that could be manufactured there to best advantage. Another point stressed by the trustees was that the formation of a separate operating company as proposed would result in the segregation of the manufacturing properties of the present corporation from its invested funds which had been accumulated not merely from manufacturing profits but largely from an increase in the value of investments and raw materials. They stated that the proposed issue of new shares was fair to all concerned and explained that there would be no change in present existing shares and no exchange of certificates would be required to carry out the plan. They advised shareholders to approve and authorize the sale.

Parkhill was well known to the trade and for a number of years had been regarded as a successfully managed gingham mill. It was usually referred to as a very rich cotton manufacturing organization and upto within a year or two of the time of the merger had had a relatively small capitalization. Although an old mill, its equipment had been kept upto-date. Those who analyzed Parkhill balance sheets called attention to its large working capital. Their mills

A and C at Fitchburg, which employed 1600 people, had 3800 to 4000 narrow looms and dyeing equipment, but lacked spinning facilities. It bought 16s to 80s yarns. One of the reasons for the consolidation was said to be that Amoskeag could supply Parkhill looms with needed yarn. As a matter of fact, Parkhill a short time previous to the merger had become interested in a 10,000 spindle plant in Helena, Ark. and also owned 5,000 acres of cotton lands in the Delta area. There seemed to be some difference of opinion as to Amoskeag's yarn supply at the time. Some in the trade declared that much of the time it didn't have any surplus and the Manchester organization was said to be a steady yarn buyer when business was good.

Few would deny that Arthur H. Lowe, treasurer of the Parkhill, was one of the most active, forward-looking men in the cotton industry and it was the general opinion that in the consolidation with the Amoskeag his judgement and activity would be depended on to a large extent. His son, Russell B. Lowe, Parkhill president, was being counted on to make his contribution to the management of the new enlarged Amoskeag Manufacturing Company. There was also adequate appreciation of the fact that Parkhill had a \$10,000,000 production of fine ginghams that would nicely supplement Amoskeag's tremendous output of staple fabrics. There was considerable doubt in the trade as to the wisdom of increasing gingham producing capacity at a time when the demand for these goods was sharply reduced, as the future for them didn't seem to be very encouraging. There was another opinion, however, to the effect that although ginghams hadn't been very desirable in the past year or two, their return to popularity might be expected. The mills were in a strong position because of their small stocks. The feeling of those who held this opinion was that with the expected return of market interest in ginghams, Amoskeag and other manufacturers should make a comeback.

At any rate, at the special meeting August 25, the Parkhill merger and the proposed plan of recapitalization were approved. Eighty-five shareholders were at the meeting. This was the largest attendance in years. F.P. Carpenter of Manchester, a trustee for many years, presided and B.E. Eames, counsel for the

company, presented the vote for approval. But there was some opposition from one of the stockholders of Manchester. Lawrence J. Harrington declared that the shareholders hadn't received enough information about the plan to cast an intelligent vote. He presented a resolution with a list of questions for the management to answer before stockholders' approval of the plan should be definitely asked. Attention was called to the losses of the past three years and to the fact that manufacturing operations were only 60 per cent and that southern competition was becoming more serious. Mr. Harrington's questions asked about the Parkhill business, whether it had been losing money and whether Amoskeag trustees were interested in that company. He wanted to know about Parkhill capacity, how much it had operated for three years and whether it had made or lost money. The resolution asked that questions about both mills be answered in the next fortnight, during which the meeting should stand adjourned. The resolution was defeated by a vote of 357,000 to 5,000, following a rather complete statement by Treasurer F. C. Dumaine about the Amoskeag condition and the purpose and expected advantages from the merger and the setting up of a new operating company. When put to vote the complete plan, including the proposed change in the name of the old company to Amoskeag Company, was approved by the stockholders.

Treasurer Dumaine explained that the cotton industry in general had been in a deplorable condition in the past two or three years. He reminded the shareholders that he had been connected with Amoskeag for forty or more years and said that he had never seen a time before when the cotton industry in New England had been through what it had recently experienced.

He declared that by acquiring Parkhill, Amoskeag would get the benefit of its organization and cotton mills, some new talent and valuable younger men. Goods could be marketed through Amoskeag's own organization. This merger would give company the nucleus of a manufacturing organization in the South and enable it to check up on the relative costs and taxes in New England and the South. He stated that the Parkhill Mills had been running night and day. So far as he knew, the only common ownership of shares was 100 of common and

100 preferred of Amoskeag owned by Treasurer A. H. Lowe. The Parkhill stock was all owned by the Lowe's, their family and a few friends, he added. The business was founded forty years ago with only one set of looms and had grown to present proportions entirely out of earnings, with the exception of \$300,000.

Mr. Dumaine referred to the fact that Amoskeag's \$3,000,000 property value had been continued over forty years and in spite of frequent criticism he had seen no good reason for altering it with the old company, but now that it was a question of consolidation and provision for a merger basis, it was felt that a value nearer its worth was advisable, although he doubted whether the plant would bring \$33,000,000, the new valuation, at a forced sale.

In reply to a question on hours of labor and criticism of his conduct of the company during the strike, Mr. Dumaine said that mills couldn't be run successfully in New Hampshire unless they were under the same conditions as mills in other parts of the country seeking the same market. He pointed out that Amoskeag taxes in Manchester on a normal basis amounted to about \$8 per bale of cotton.

With reference to the proposed segregation of invested funds, the treasurer explained that with such an arrangement there would no longer be any danger of stockholders losing them in business. In the future what money Amoskeag would make or lose would be from manufacturing operations alone. The segregated funds would always stand there, no longer subject to business vicissitudes. Mr. Harrington had asked why segregated funds shouldn't be distributed to stockholders, who were receiving no income at present. Mr. Dumaine explained that that was a matter in the hands of the trustees. Although there was no objection to such a distribution, he personally would prefer to have the funds remain in an organization, he said.

The immediate effect of the reorganization on Amoskeag common stock prices was significant. In April, 1925, it had been quoted at 61½. Later there was an advance to the lower 70's. On August 6, the day before the trustees approved the reorganization plan, the trade already knew about it and the expectation of some kind of a cash distribution with the formation of the new company

boosted the price of Amoskeag common on the Boston Stock Exchange from 72 to 92, an advance of 20 points in only 20 minutes. The drop in price to 76 the following week evidently reflected the speculative disappointment over the failure of the trustees to take action toward resumption of common dividends or the distribution of some portion of the segregated investments amounting to \$18,686,000, or \$52 a share on the 345,600 shares of common.

The manufacturing properties were conveyed to the new operating company through six temporary trustees, who held office only for one day, August 25, and were immediately replaced by a permanent board of nine members who were elected as follows: Charles F. Adams, Philip Dexter, F.C. Dumaine, F.C. Dumaine Jr., William C. Endicott, George P. Gardner, Arthur H. Lowe, Russell B. Lowe, and George Wigglesworth. It will be noted that five of these trustees were also on the board of the old trust, which was continued as a holding company with the new title of the Amoskeag Company. They were Messrs. Adams Dexter, Dumaine, Sr., Gardner and Wigglesworth. Mr. Dumaine served as treasurer of both companies. One of the new members, Arthur H. Lowe, who had been treasurer of Parkhill, was elected president of the new Amoskeag Manufacturing Company. Mr. Wigglesworth continued as president of the old company and Herman F. Straw, former agent, as secretary. On September 1, the selling of the products of the Parkhill, formerly merchandised through Amory, Browne & Co., was taken over by Amoskeag's own selling agency Jarvis, Loomis & Dunbar.

The reference to Parkhill's small spinning mill at West Helena, Ark. and Mr. Dumaine's statement that it would give Amoskeag the nucleus of a manufacturing organization in the South and enable the management to check up on relative costs and taxes in that part of the country is of special interest. It was making 30-1 weaving yarns. Parkhill had increased the spindles from 6,656 to 10,736 at the time of the proposed merger. Over a period of years Mr. Dumaine had kept in touch with developments in the South and he and Agent Herman F. Straw had made at least one trip to obtain first-hand information on labor conditions, wages, etc. in that section. But it was always the policy of the Amoskeag management to continue in New Hampshire as long as possible.

At one time, about 1912 to 1914, the company had an opportunity to purchase the four mills in Columbia, S.C. afterwards taken over by the Pacific. It was decided not to accept the offer on the basis that Amoskeag was a New England insitution, the stockholders and management were New England people. That had been the policy for many years.

The financial results of the reorganization are shown in the balance sheets of the Amoskeag Manufacturing Company and Amoskeag Company as of October 28 and October 1, 1925, respectively. The assets and liabilities of the operating trust on the former date, given in much more detail than in previous statements compares, as follows:

Amoskeag Manufacturing Company
(Comparative Balance Sheet)

	<u>December 31, 1926</u>	<u>June 30, 1926</u>	<u>October 28, 1925</u>
<u>Assets</u>			
Plant	\$16,648,576	\$16,686,227	\$16,695,843
<u>Current Assets</u>			
Cash	3,815,071	1,704,571	1,556,998
Liberty Bonds	4,448,500	4,448,500	4,448,500
Acc'ts Receivable	5,392,150	7,192,080	6,939,125
Cotton Inventory	4,742,165	6,437,221	9,079,788
Wool Inventory	4,299,441	4,535,353	4,970,897
Mfg. Supplies	522,688	642,056	1,474,015
Miscellaneous	558,974	302,232*	24,081*
Total Cur. Ass'ts	\$27,778,989	\$25,262,014	\$28,503,404
Total Assets	\$40,463,565	\$41,948,241	\$45,199,247

* The 302,232 on June 30, 1926 includes \$119,290 of other investments, \$111,568 of collateral notes and \$71,375 of prepaid taxes. The \$24,081 in the October 28, 1925 was accrued interest on Liberty Bonds.

<u>Liabilities</u>			
Acc'ts and notes payable	\$38,249	\$1,000,116	-----
* Reserves for shareholders	40,425,316	40,948,009	\$45,199,247
Total Liabilities	\$40,463,565	\$41,948,125	\$45,199,247
Net Quick	\$23,740,740	\$24,261,898	\$28,503,404

* Outstanding shares 285,000 six per cent preferred and 365,000 of common stock

With reference to plant value it will be ~~remembered~~ that the amounts given represent net values after deducting a charge for machinery depreciation from the Charles T. Main appraisals. The \$16,695,843 included \$14,480,320 for the Amoskeag and \$1,971,617 for Parkhill. The \$28,503,404 of quick ~~ass~~ assets are approximately the amount mentioned in connection with the payment of \$100 a share for them, including \$26,681,521 for Amoskeag and \$1,985,033 for Parkhill.

Comparison of some of the details of the October 28, 1925 balance sheet with ~~that~~ of May 31, 1924 will help to show the changes made in the different items. Cash and accounts receivable of \$8,496,123 are about \$1,763,000 less. They had been \$13,083,000 on June 1, 1925. The \$4,448,500 of Fourth Liberty Bonds carried at 102½ is a very interesting item. The May 31, 1924 statement of the old company showed an investment of \$27,200,000 in these bonds valued at 85 (par \$32,000,000). The amount retained by the old company was \$17,138,000, as shown in the trial balance sheet of June 1, exclusive of Parkhill acquired ^{as of} July 1. The new trust had no bonds listed as of that date, but ~~the~~ \$6,000,000 in cash, now reduced to \$1,556,998. On May 31, 1924 the old company had \$14,750,00 of notes payable, which had been reduced to \$7,295,000 by October 28, 1925. It is understood that the decrease was made possible by the sale of \$4,000,000 of Liberty Loan Bonds at par plus \$3,000,000 odd, presumably out of earnings or some hidden reserves.

The Amoskeag's 1925 holdings of Liberties amounting to \$24,251,500 were valued at 102½, not at 85 as previously. Probably no manufacturing company in the country had so many or so large a proportion of Liberty Bonds as Amoskeag. It is interesting to recall that on December 1, 1922 it held \$33,422,000 of 4½ per cent fourth issue. These bonds gave the company steady tax exempt income and it was frequently said that without turning a wheel it could earn at least \$1.50 a spindle, ~~whether the mills turned the wheels or not.~~

The inventory items in the operating company's October 28 balance sheet

are also worth noting. They are valued at \$14,050,685, as compared with \$4,321,622 on May 31, 1924, an increase of \$9,729,063. In the trial balance of June 1, 1925, not including Parkhill, cotton inventory of \$9,060,000 included \$2,971,000 raw, \$3,204,000 in process and \$2,885,000 in finished goods. There was \$4,970,000 of wool, including \$1,238,000 raw, \$2,876,000 in process and \$856,000 in finished goods. Total value of June 1, inventory was \$14,030,000, practically the same as on October 28. Manufacturing supplies were somewhat less at \$1,387,000. This item and the miscellaneous assets had apparently been added, largely as a result of revaluation to a basis nearer replacement values. It is interesting to compare the total increase of \$11,178,997 with the \$12,560,000 which was charged off for depreciation of Amoskeag machinery at the time of the reorganization and Parkhill merger. As the items in the 1926 statement are similar to those of 1925 the changes to June 30 and December 31 of the later year are easily identifiable.

The trial balance of the Amoskeag Company, the holding company, as of June 1, 1925 showed total assets of \$18,686,707, including \$59,658 of cash, \$17,138,000 of Fourth Liberty Loan Bonds and \$1,489,049 in miscellaneous investments. The balance sheets of October 28, 1925 and May 29, 1926 compare as follows:

Amoskeag Company

Comparative Balance Sheets

<u>Assets</u>	<u>May 29, 1926</u>	<u>October 28, 1925</u>
Cash	\$ 45,211	\$ 54,312
4th Liberty Loan Bonds	24,369,800	24,251,500
Amoskeag Company pfd (6,157 shares)	461,775	464,854
" " com (3,284 ")	180,620	233,164
Atlantic Mutual Insurance Scrip	15,915	13,164
Brooklyn-Manhattan Transit-6% 1968 (\$300,000)	291,750	268,500
" " "pfd (271 shares)	22,832	21,206
Carpenter Hotel Co. pfd (100 shares)	100,000	100,000
Claflin's Inc. (400 & 1600 shares)	32,000	128,000
Lazare Klein Co. (1600 shares)	50,000	50,000
Moore's Falls Corp. (3010 shares)	156,164	155,141
Imp. Russian Gov. 5½%-1921 (\$250,000)	30,000	-----
East Mass St. Ry. First pfd (274 shares)	17,536	-----
" " " " Common (49 shares)	2,891	-----
Mercatile Stores Co. pfd (51 shares)	5,100	-----
" " " " common (153 shares)	16,830	-----
Miscellaneous Investments	7,736	84,905
Total Market Value	<u>\$25,806,160</u>	<u>\$25,824,722</u>

Deduct Notes Payable
Profit and Loss reserves
for sharholders

\$ 6,500,000
\$19,306,160

\$ 7,295,000
\$18,529,722

* Amoskeag Company's capital consists of 100,000 shares of \$4.50 preferred and 345,600 shares of common, the stock of the original trust which it continues. The holding company owns 264,720 shares of 6 per cent preferred and 330,000 shares of common of the new operating Amoskeag Mfg. Co. in addition to the listed investments.

Amoskeag Company's first income account is printed below:

Amoskeag Company
Income Account for Year Ended May 29, 1926

* Interest and Dividend Income	<u>\$1,092,248</u>
Interest charges	319,104
Other deductions	<u>14,346</u>
	433,450
Net Income	<u>\$ 758,798</u>
Preferred Dividends	450,000
Balance	<u>\$ 308,798</u>

*Exclusive of income from holdings of Amoskeag Manufacturing Co.

At the annual meeting October 28, 1925, Mr. Dumaine reviewed the past twenty years during which he had been treasurer of Amoskeag. He said that the results attained ^{not} had been based on the policy of distributing all earnings but by applying a reasonable part of them in good years to improvement of property and the accumulation of reserves for bad years. He added that he didn't know of any mill which had so conclusively demonstrated the soundness of its methods, and hoped that the next twenty years would show as good results by consistent application of the principles which had put the company in a position "to ride out the worst storm the textile industry had known in that century."

Operations at Amoskeag in October had substantially improved from the low level of midsummer, but they hadn't yet reached the point of "revival." According to current trade reports the fancy cotton business, including the company's mainstay, gingham, was far from normal. The situation in worsteds was somewhat better. There was an encouraging volume of bookings in Amoskeag's new rayon fabrics, though this cloth didn't of course represent any great loomage as yet.

By April, 1926 trade reports were referring to the "most paralyzing depres-

depression in the history of cotton manufacturing in New England" which then existed. It was a period of light consumption, constant change in styles, high costs and ruinous competition between producers.

In the fiscal year ended June 30, 1926, Amoskeag's total cotton cloth production of nearly 144 million yards included more than 13 million yards in the Parkhill Division. The company's sales for the period reached approximately \$33,000,000. About 61 per cent of this amount represented receipts from the sale of cotton goods and yarns. About a million and a quarter dollars worth of yarn was sold, ~~about~~ 80 per cent of which was for cotton yarns. In 1926 Amoskeag spent \$408,223 for machines and equipment, exclusive of the rayon plant, whose product was known as Amosilk. Expenditures for repairs in this year totalled \$1,290,000.

The highest quotation on Amoskeag common stock during the period from 1921 to 1926, inclusive, was in December, 1922, when the dividend rate was still \$6 and represented a yield of 5 per cent. The advance in prices on the company's shares noted at that time was attributed in some quarters to rumors of an expected stock or cash dividend. The long strike had been finally ended in the preceding month and the better outlook, especially with the increased equipment after the purchase of the Stark Mills, as well as the company's strong financial position, seemed to justify the expectation that Amoskeag would follow the lead of Fall River, New Bedford and other New England mills, including the Pacific, which had continued to announce stock dividends during that year. But the more conservative section of the trade didn't believe that a special distribution of any kind was likely. Attention was called to the fact that Amoskeag had distributed stock dividends in 1911 and 1920. It was stated that it was the only big cotton mill in New England which year after year had been ~~paying~~ paying out as much as \$4 a spindle in cash dividends. Other high points had been 109 in 1921, 112 in January, 1923 and 92 in August, 1925.

By July, 1926, Amoskeag common shares were down to 48½, the lowest of the period, although it had previously been down to 57½ in October, 1924, just after

the passing of the common dividend was announced. No dividends were now being paid on either common or preferred. The last distribution on the latter had been made in February, 1926. One previous low of $67\frac{1}{2}$ was quoted in October, 1923.

The dividend had been reduced to 75 cents quarterly as the result of the deficit reported for the fiscal period ended May 31 of that year. In April, 1925, there was a low of $61\frac{1}{2}$, still reflecting the lack of dividends and continued unfavorable business conditions, although it will be remembered that in one day, August 6 of the same year, there was a jump from 72 to 92 when it was expected that the proposed reorganization plan might involve a substantial cash distribution. When this didn't develop, the quotation immediately went down to 76 and later to $61\frac{1}{2}$ as noted. Average quotations on Amoskeag common were 92 in 1921, 112 in 1922, 89 in 1923, 70 in 1924, 76 in 1925 and 59 in 1926.

Quotations on the preferred in this period ranged from 91 in September 1922 down to 69 in 1924. Other highs were 88 in January 1923 and $86\frac{3}{4}$ in August, 1925. There were quotations of $70\frac{3}{4}$ and $70\frac{1}{2}$ in 1921 and May, 1925, respectively. Average quotations on the preferred ranged from 85 to 80 in 1922 and 1923 to 74 and 75 in 1924 and 1926. On this \$4.50 dividend stock the average price for five or six years was 78, representing an average yield of 5.77 per cent.

During the later years of this period, particularly from 1924 to 1926, it was frequently emphasized in the investment market that Amoskeag stock was really far below the quick asset values. On one instance when the preferred was currently selling at \$75 and the common at \$51, or at a combined market value of \$24,496,341, the company had a quick asset value of \$43,669,685, representing a discount of over 19 million. This meant that Amoskeag's quick assets were selling in the open market for 57 cents on the dollar, with the largest cotton mill in the world, the company's worsted plant, and valuable water power thrown in for nothing.

The number of employes at Amoskeag averaged 13,500 a week in the pre-war period. Of course during 1922 while the nearly ten months' strike lasted the weekly average was very low, although after the company's plants opened in

June, the workers gradually increased until the strike was finally terminated late in November. The average employed in 1923 was 10,322. The next year there was an increase to 11,998. The number of employes on the payrolls in 1925 was 15,000, including 8,250 males and 6,750 females. The amount paid out in wages that year was \$16,150,000. Amoskeag had distributed a total of \$260,991,717 in wages from 1831 to 1925, inclusive. The largest wage month was May, 1923 with \$1,675,000 distributed. The smallest was April, 1922, during the strike, when only \$100,000 was paid. The smallest twelve-month period was between February, 1922 and January, 1923, with a total distribution in wages of \$5,000,000.

Relations between the management and the workers at Amoskeag became more difficult following the post-war boom. The last wage advance had been granted in May, 1920. Because of higher manufacturing costs and the decreased demand for the company's goods it had been necessary to cut wages $22\frac{1}{2}$ per cent January 1, 1921. Early in 1922, Agent W. Parker Straw posted a notice that beginning February 13, there would be a reduction of 20 per cent in all hour and piece rates. At the same time it was announced that the hours per week would be increased from 48 to 54. It will be remembered that during the war a 48-hour week had been in effect. Amoskeag management stated that their decision to return to the longer week was faced by wage and hour differentials enjoyed by their southern competitors. It was explained that the proposed wage cut would mean only a net reduction of 10 per cent in their pay envelopes. The calling of the strike beginning February 13, its duration and the final return of most of the workers under the wage and hour conditions originally suggested by the management is referred to in detail elsewhere. In April, 1923 Amoskeag increased wages $12\frac{1}{2}$ per cent like other mills in New England.

It was in the latter year that the company arranged with the employes for a plan to give them representation. The initial meeting was held May 31, 1923. Amoskeag's chief competitor, Riverside & Dan River Cotton Mills in Virginia, had organized an employee representation plan, called an industrial democracy,

The plan at Amoskeag was under the direction of William Swallow, the company's employment manager. Agent W. Parker Straw had sent him to visit the Western Electric Company to see how their very successful employe representation system was organized and operated. Treasurer P. C. Dumaine was very much interested in the Amoskeag plan and attended the annual banquets of the organization.

The plan itself was prepared by a committee of employe representatives of different crafts in joint session with representatives of management. Its purpose was to give employes a voice in regard to conditions under which they worked, to provide an orderly and expeditious procedure for the prevention and adjustment of differences. There were joint departmental committees to which the management appointed overseers, second-hands, and salaried officials. Joint sectional committees and a general joint committee completed the organization. The departments represented were: Cotton-carding, spinning, dressing, weaving, cloth finishing; Worsted-preparing, spinning, weaving, finishing; Machine Shop and Foundry and the Electrical, Steam and Water Power, Construction and Maintenance and Transportation Departments.

Some of the matters which W. Parker Straw discussed with employe representatives from 1924 to 1926 included the suggestion of the Agent in the fall of 1924 that the employes take a 20 per cent reduction in wages in order to stimulate business and allow the company to compete with other mills in other sections of the country. A joint convention of employe representatives on September 16 unanimously rejected the proposal. Some said they were willing to accept a smaller cut. The convention finally voted to take a 5 per cent cut. Agent Straw's suggestion that they accept 15 per cent was rejected. He said that 5 per cent would be useless. It meant less than 1/3 cent per yard of cloth. He repeated that 20 per cent was necessary to get the best results in the market. He stated that it was not advisable to produce goods for future orders and then said he would accept the employes' next offer as final. At the end of October it was voted to agree to a ten per cent cut, but the reduction was not put into effect immediately.

When the company opened its lines it was unable to reduce prices because of the

rise in the price of cotton. Mr Straw explained that he wanted to be fair and square with the workers and told them that less than 1,000 cases had been sold, although it should have been 20,000. He said that competitors got business on account of lower prices. There had been cancellations since the opening and, generally speaking, the company did not have a single order on hand. Under such conditions ten per cent would be of no use, he said, as the company wouldn't be able to sell another yard of cloth at the prices recently quoted. The management does not want to cut wages, but it must get the business, he said. He explained further that ten per cent and a three-fourth million limit of loss was all the company was willing to stand and operate the mills. However, that would not make it possible to reduce prices enough to beat competitors and get business. To break even the expenses of the company would have to be reduced 33 1/3 per cent. The company was willing to stand part of this amount themselves, Mr. Straw said and added that if a twenty per cent cut had been accepted the mills would then have been in full operation. Workers again offered to take a ten per cent reduction until April 1925. Agent Straw finally accepted the decision of the convention, but said he did so "with expression of sorrow" for the action taken.

A week before April 1, 1925, when the above agreement was to expire employees met to hear the recommendations of Agent Straw. He told them that unless they wished to stop things immediately and bring disaster to present activity, it would be necessary to keep wages at the present level for the next six months. He added that he thought Manchester's condition was better than in many places and hoped that better and busier times were coming. The convention agreed to continue the cut for another three months. However, Agent Straw said it would require that much time to get orders, manufacture and deliver them. Six months would be short enough period, but nine months would be better. The convention then agreed to a continuation of the wage cut for six months. But better conditions and business were slow to come. The reorganization of Amoskeag with the forming of a new operating company took place in August. When Agent Straw met the employe representatives in September

19,1925, he suggested that there be no further reduction in wages and that the present agreement be continued another six months to April 1,1926. He declared that he would not advocate reduction until all other resources were exhausted, but insisted that such a policy could only be continued with ^{increased} individual productivity and cooperation with ^{the} management. He suggested that cooperation and enthusiasm be the keynote for the coming year. The convention accepted these conditions, but from October 1925 to August,1926 there was a particular lack of "cooperation and enthusiasm". The situation wasn't helped to any great extent with more time studies and increased work loads.

On March 15,1926, Agent Straw met with the convention of employe representatives again. He declared that existing conditions could not go on indefinitely. The company would have to get more goods at the existing rate of wages or otherwise reduce the costs of manufacturing. Every employe would have "to do a good day's work." It was a matter of "grim necessity," and under the conditions he could not really recommend the present wage scale to shareholders, but he was willing to have the agreement continue to October 1. The convention accepted this extension, with the proviso that if conditions warranted an increase and other concerns should raise wages, Amoskeag would do likewise. Mr. Straw explained that the company's manufacturing problems were made still more difficult ~~were made still more difficult~~ because buyers were waiting until they really needed goods before ordering and Amoskeag had to rush to get the work out, and if goods ~~were~~ not delivered on time, the orders ~~were~~ cancelled. This was in March, and by September,1926, style changes were ~~being~~ being made too rapidly to sell in large quantities or to sell ahead. The continuation of these conditions resulted in intermittent operations. Mr. Straw emphasized the necessity of reducing costs by speed-up and wage cuts. The agent said he was willing to continue the same wage rate but there would have to be specific reductions on special orders ~~which~~ ^{company} the ^{company} had to accept at a decrease in price to get ~~them~~. The convention rejected Mr. Straw's recommendation twice, but they then agreed to a continuance for another six months. He

said that the plant would be shut down if the requested ten per cent increase was sustained. There was no longer any mention of an 8-hour day, which was now regarded as a lost cause. The physical condition of the plant and its equipment was still a problem. The Cotton Section continued to operate at a loss. In the calendar year 1926, the loss in the cotton division was \$2,900,000, although the Worsted profit was \$638,000. There were no dividends, even on the preferred. The entire textile industry was in a cycle of depression in this year. In March 1926 the agent had said he couldn't recommend the purchase of new machinery under existing conditions. He explained how the company had lost a Ford order, because it didn't have machinery to make the new line.

Referring to the labor situation at Amoskeag in 1924 one market observer said that if Amoskeag had any weakness, it was in the attitude of the management toward its operatives. It was too lenient in its manufacturing policy. The corps of workers had never been driven or managed on any task basis. There was no extensive attempt to speed up intensively the work of carders, spinners and weavers. Attention was called to the fact that in one 90,000 spindle mill in New England the number of operatives had been decreased from 1200 to 600 by doubling the task per worker. Amoskeag might double up on the same basis to bring the number of operatives down to perhaps 7,000. It would save millions of dollars per annum in wages, it was stated.

The 1922 strike at Amoskeag lasted more than nine months, from February 13 to November 25, and resulted in a loss of about nine million dollars in wages and millions of yards of cloth production, as well as of considerable business to competitors that was never regained. As a matter of fact, the effects of the strike on labor relations and plant operations at Manchester continued up to the time of the liquidation of the company in 1936. The mills had been reopened in June, 1922, to give employment to those workers who wanted to return at the 20 per cent lower wage rate and 54 hour week, which had gone into effect February 13. The number of workers at the mills increased gradually from June to September. In the latter month, when general conditions in

business had improved and other New England mills were ~~restoring~~ ^{Amoskeag did the same,} the 20 per cent wage cut which they also had put into effect, but its work week continued at 54 hours, and this was accepted by the employees who were still out when the strike was finally called off November 25.

When Amoskeag announced the 20 per cent wage reduction and the increase in the work week from 48 to 54 hours, Agent W. Parker Straw called attention to the fact that this company's workers would have only a 10 per cent reduction in their pay envelopes, as compared with a full 20 per cent for those in other states like Massachusetts where the hours were shorter. He explained further that at 40 cents an hour, instead of the previous 50-cent scale, the week's pay would be \$21.60 instead of \$24.00 as formerly. The new schedule would start February 13 at 6.45 A.M., allow one hour at noon and then continue to 5.30 P.M., compared with the existing 7.20 to 5 o'clock daily working period. The additional 35 minutes each morning for 6 days would increase the time by $3\frac{1}{2}$ hours and the half-hour in the afternoon for 5 days would add $2\frac{1}{2}$ hours, or a total of six hours, to make the 54 required by the new schedule.

Amoskeag was trying in every way possible to meet competition. It was stated at the time that under the new schedules the company hoped to have ~~at~~ several months at least of full operation. Wages in the South were 50 to 60 per cent of those in the North and working hours 55 to 60 per week, it was ~~s~~ stated. As mills in the North had no control over prices of cotton, wool, coal or taxes or any of the other larger factors that enter into manufacturing costs, its only means of relief, unfortunately, was in the reduction of employees' wages. These and other facts were published in Manchester papers in full-page statements signed by Agent Straw. The information given included the following comparison of typical wages, indicating New England disadvantages on a 48-hour schedule.

Comparison of Typical Wages

	<u>New England Average</u> (48 hours)	<u>South's Average</u> (55 hours)
Card Strippers	\$17.99	\$11.17
Card Grinders	26.72	14.30
Fly Frame Tenders	21.31	11.91
Spinners	17.00	10.59
Warper Tenders	19.64	11.75

Slasher Men	31.65	10.75
Drawing-In Hands	18.16	10.00
Weavers	20.02	12.98
Loom Fixers	30.00	17.10
Common Labor	18.05	8.10
Firemen	31.39	9.65
All Classes	<u>\$22.38</u>	<u>\$11.93</u>

While the unions were preparing to take a strike vote, the newspapers of the city were advising caution on the part of the workers. They were urged "to set their faces like flint against counsellors of violence and disorder", not to complicate the situation, *or* start a fight without *full* appreciation of what the results might be, because if the large mills on both sides of the river should be closed completely, it ~~would~~ be a calamity for their families and for the whole community and all *local* business would feel the effects of scarcer money.

The T.W.U. national vice-president, James Starr and other union officials came to Manchester to lead the "fight to the finish". Meanwhile efforts were being made by local civic organizations and Catholic pastors to prevent a strike. There was even a suggestion that the intervention of the United States Government might be sought. The unions and textile council started taking a strike vote February 5. The results of the balloting which were announced in the newspapers of February 10, showed that the wage cut and increase in hours had been rejected by 99 per cent of the 12,150 votes cast. All organized employes were ordered not to report for work. As Amoskeag at that time had 15,500 on its pay-rolls and the Stark between 1400 and 1500, the voters represented only 73 per cent of the total. The French language newspaper "L'Avenir" questioned the results and voting methods used. It declared that of the 17,000 employes in the two mills hardly one-fourth belonged to the unions. If the facts were really known, added "L'Avenir", it would be found that probably no more than 3,500 votes in all were cast in favor of a strike, and it suggested that a committee of citizens be permitted to count the votes.

When the result of the vote was made known to him, Agent Straw insisted there could be no compromise. He repeated that the new schedule was the least possible adjustment that the company could make. The decision of the employes

to vote a strike, was to be regretted, he said, but promised that the mills would open to give work to those who cared to accept the new conditions and recognized the futility of delay and consequent loss in wages. The economic situation was beyond the mill's control, he asserted.

Monday morning, February 13, the mill gates were picketed while Amoskeag and Stark employes started the first day of the longest strike Manchester had ever known. Less than a hundred employes reported for work at Amoskeag on that day. The mills had to be closed. Agent Straw in his notice announcing the Shut-down stated that the workers would be duly advised when the company should decide to reopen. Not a curtain was raised on the Canal Street side of Amoskeag or Stark and not a machine was heard. The mill gates were guarded. Vice-President Starr promised orderly picketing. The union strategy board appointed captains and plans were made for daily meetings of the workers.

There was considerable agitation in New Hampshire at this time for a state 48-hour law. Governor Brown was urged to call a special session of the legislature to pass such legislation. When the matter of a special session was put to vote in the Governor's Council, Mayor Trudel of Concord was the only member in favor of it. The union had conducted a state-wide campaign in support of a 48-hour law and the strikers at Manchester criticized the Governor severely for failing to do his duty in regard to the requested special session.

Various attempts were underway soon after the strike started to arrange for mediation of the Manchester labor troubles. Local ministers conferred with Agent Straw to hear the mills' arguments as a basis for suggesting a compromise settlement. Manchester Aldermen, who wanted to help bring an end to the strike, invited both parties to it to attend a conference that might lead to a profitable peace. The importance of an early end to the strike was continuously emphasized in local pulpits. Two Federal conciliators arrived in Manchester to probe the situation through consultations with mill officials and union leaders. Thomas McMahon, president of the United Textile Workers asked the AFL with which it was affiliated, to seek a Congressional investigation of the situation, and the strikers at Manchester on their own account asked Congress

to investigate. The C.I.U. appointed a committee to confer with Senator Moses of New Hampshire at Washington to help the matter along. As no reply came from Congress it was promptly "flayed" by the strikers. Later Vice-president Starr said that there would be no attempt to probe the strike. He said that he was well satisfied with the progress already made and that "money was pouring in" for the strike fund.

When UTW President Thomas McMahon came to Manchester the end of February, he first said the workers would never arbitrate the matter of pay and hours. At a mass meeting at which various speakers were heard he later modified this position and said they would arbitrate on wages but not on hours. The hours principle would not be sacrificed, he declared. He praised the strikers stand on law and order and said that "everything points to a successful fight." Following President McMahon's visit, all day picketing was ordered. The daily picket detail starting March 1 was 648.

Early in March, Agent W. Parker Straw addressed a letter to the people of New Hampshire, which was run in all the leading newspapers. Its purpose was to explain the "Question at Issue." He called attention to the fact that the South at that time had 90 per cent of the cotton spindles in the country. The mills in that section were running 55 hours and in many instances, 60 hours. December statistics showed that Southern spindles in that month had operated 239 hours per spindle in place, while for the North the figures were only 188, or 51 hours less. Furthermore, wages in Northern mills were 30 to 40 per cent higher. The Agent reminded the people of New Hampshire that Amoskeag had always paid and hoped to continue to pay higher wages and have shorter hours, but unusual difficulties were compelling curtailment all over New England.

Amoskeag, Mr. Straw said, was owned by 3,700 persons, 1500 of whom lived in New Hampshire. Since 1831 the company had paid in the city of Manchester 215 million dollars in wages and \$8,500,000 in taxes. The first tax paid in 1836 was \$177, but the 1921 payment was \$748,000 out of the city's total \$2,560,000. The management had always been in the hands of Manchester men, he stated. Referring to the calling of the strike, the agent said that while

it was reported that over 12,000 voted in favor of it, there was general understanding that only 3,500 voted. He called attention to the fact that each week of idleness meant a loss of \$300,000, which ~~amounted to~~ total of nearly a million in the preceding three weeks.

In the conclusion of his statement, Agent Straw promised that when a sufficient number of operatives desired to return, the management would reopen the employment department and be ready to receive applications. It was the company's desire to continue to operate in New Hampshire and pay the best wages possible to meet the prices of competitive products. It desired peace and prosperity not only for itself but for the community, but to win this it must have the cooperation of the workers and of all the citizens of the State.

As the strike progressed union officials came and went. The local union leaders through their strategy board planned a campaign of relief for the strikers. The program included several "tag days". At the one held March 3,- 20,000 tags were sold to raise funds to help the strikers. City doctors, druggists and merchants did everything they could to help the workers. The New Hampshire Furniture Co. held a clearance sale for UTW workers. The Star Furniture Co. arranged for a whist party and dance for their benefit. The strikers received cooperation not only locally but from other parts of the State and even from outside of New Hampshire. Mrs. Glendower Evans, *a rich* woman of Brookline, Mass and an Amoskeag stockholder, offered cash to the ~~stri~~ strikers and sent speakers to help their cause. One of the interesting developments during the early part of the strike was the offer of homes for the idle workers ~~in~~ Ontario and Quebec. There was some removal to Canada. On March 3, for example, 60 families consisting of 312 people left Manchester for Quebec.

The above are given as only a few illustrations of some of the developments in the early part of the strike. It continued along similar lines during the next two months. Near the end of May rumors became more frequent that demands for certain goods might result soon in the reopening of Amoskeag plants. The first of June it was definitely stated that the company

would open its biggest plant, the Coolidge Mill, and that it would later operate other departments, as business and employes both gained. Only 100 of the 1300 operatives returned to work at Coolidge, Monday, June 5. A large gathering of strikers was on hand and the entire police force found it hard to keep the crowds moving. Pickets were limited to two by the police. One half hour after the gates were opened they were immediately closed again. As the majority of the workers carried lunches, they did not come out at noon. The number of operatives had increased to 300 in a few days and there was a steady gain during the rest of the month.

On July 1, a citizen's committee of ten members which met with Treasurer Dumaine for a lengthy discussion ~~now~~ concerning the entire situation, suggested that a conference between the two parties at issue would be desirable. They were told that the corporation was ready then as always to meet a committee of its employes at any time, but it had no intention of receding from its original position of 54 hours a week and a 20 per cent reduction in wages. With an improvement in the wool situation Amoskeag started to operate 25 worsted looms in the Southern Division. Efforts to end the strike continued. It was suggested that the issue be submitted to the State Board of Conciliation and Arbitration, but the company insisted that a 20 per cent cut in wages and a 54-hour work week were necessary for successful operation and the strikers refused to arbitrate on hours. By July 26, with Amoskeag's cotton and worsted departments operating in a limited way, between 1400 and 1500 workers were now employed, but only ten per cent of the cotton looms were running. The situation led to the opinion in some quarters that the cotton mills couldn't win out except by a compromise solution.

By August 2, Amoskeag had 2800 of 20,500 looms in the Cotton Section in operation. By this time approximately 2,000 of the full-time capacity force of 15,000 were now at work, and applications from 500 other employes had been received. During the rest of the month conditions steadily improved, with more and more machinery being put into operation. On August 22, when the

Langdon Mills were reopened in part, only a small number applied for work. Pacific Mills at Lawrence, Mass., near the end of August offered to rescind the 20 per cent wage cut that had been in effect six or seven months and its lead was followed by other mills. Amoskeag, which had recently added a few looms to its operating equipment in the Stark Mills, restored its wage cut September 11. The number of workers in its other mills steadily increased during the rest of the month.

By October 6, Mill No.3 was operating 80 per cent and other departments were opened the following week, with the biggest gain in employees since the mills had resumed partial operations in June. By October 17, Amoskeag had 4,500 people at work. Applications were being received at the rate of 200 to 500 a week. A few days later it was announced that the company now had 7,000 looms in operation. The big bag mill of the Northern Division was opened October 23 with more than 300 looms in operation. There had been a gain of 600 workers during the previous week. All departments were showing increases. No.9 Mill was opened October 24, bringing the number of looms in operation up to 8,000. Scores of Polish operatives applied for their former jobs at this time. Union leaders sent four pickets to the employment department to attempt to check the continuing break in their ranks. The weaving room at Amory Mill resumed in part, October 30. The company had started 1100 looms in all during the week.

During the month of October more definite efforts were made to end the strike. Mayor Tindel of Manchester appointed a committee of 10 to confer with Amoskeag officials and strike leaders. It included two members of the union strategy board, as well as business and professional men. Treasurer Dumaine and Agent Straw and representatives of the strikers' executive board were invited to meet with the committee October 13. On that same day the strikers received a letter from Mrs Glendower Evans, Brookline, Mass., an Amoskeag stockholder, urging them to continue the fight for the 48-hour week. Following the suggestion of the citizen's committee, representatives of the company and a committee of former employees planned to meet in joint conference, but the

union's committee refused to attend, because two Amoskeag employees who had already returned to work had been invited by the Agent to attend the meeting. The union voted to continue the 48-hour fight. The next step for the settlement of the strike, now in its 37th week, was a meeting between Agent Straw and Bishop George Albert Guertin of the New Hampshire Catholic Diocese. A joint conference with a committee of strikers was held October 25 at the Catholic Rectory. This was the first meeting of the two parties to the dispute. A compromise proposal of the Bishop for a 51-hour week was voted on by 17 textile unions and approved. When the result of the balloting was reported to the Bishop on November 1, it was made known that the company had rejected the compromise. The proposal ^{had} stipulated that the 51-hour schedule should be continued to February 1, 1923, when officials of the company should meet representatives of the workers and determine by agreement whether or not conditions or other circumstances warranted the restoration of the 48-hour week.

When over 600 applied for their former jobs on Thursday and Friday (Nov 2 and 3), it represented the biggest gain since the strike started. By this time 8,300 of Amoskeag's looms were in operation. There were ~~new~~ skeleton crews in 17 of the 20 main mills. It was expected that there would be a rush of workers now that the Guertin compromise had failed. In fact, on Monday, November 6, hundreds more applied for jobs. As the results of further breaks in the union ranks of Polish and French workers, the company put 1,000 more looms in operation, bringing the total up to 10,000. The carding and spinning departments of Mill No 1 in the Central Division reopened November 8. This was the 18th main mill to start operations since the controversy started. ~~Three more to be opened.~~ Additional looms were also put into operation at this time. Three more departments were opened November 13 and 1600 more looms ^{started} ~~put into operation.~~ One thousand additional applications for work were received. Scores were turned away because there were no jobs available. With the opening of No 12 on the same day, all main mills were operating in part, except the Jefferson. Extra help among the applicants were sent to the

employment department to help handle the crowd. The next day, November 14, the spinning and carding rooms at Jefferson were opened. This meant that all of Amoskeag's 20 mills were now producing in part. Fifty per cent of the company's looms were in operation and approximately 7,000 people had returned to work. More than 1,000 looms were started up November 20 and 500 more workers applied for their former jobs. The next day there were crowds at the employment bureau again. The total gains for the week were 1500 looms and 800 operators reemployed, the latter making a total of 8,000 workers out of the normal 17,500. By the end of the month the number at work had increased to 9,000. The strike had been finally called off November 25, but under protest. It was stated, however, that it would probably be January before the plants could return to a normal basis.

Developments leading up to the end of the strike had started November 15, when a committee of former employes met in conference with Amoskeag officials and received the terms under which operatives still on strike might return. The company first of all required the acceptance of the 54-hour weekly schedule and of the wage scale that had been in effect when the strike started, Feb. 13. The company said it would not take back employes who had been guilty of violence or intimidation, or whose conduct during the strike had been such as to destroy the possibility of maintaining the relations of employer and employe with mutual respect and confidence. It was added that the management would be glad to receive at any time a committee of employes to discuss matters of mutual interest. Rooms would be reopened one at a time. Only these formerly employed in each would be allowed to apply for work there. The unions devoted three days of balloting on the company's terms and on Nov. 21 it was announced that 99 per cent had voted against acceptance, it was understood, however, that fewer than 3,000 voted. But four days later, Nov. 25, representatives of the ten unions recommended that the former workers return to work under protest and the strike was called off. Union leaders said that very little discrimination was being shown against those who had participated in the strike. They planned to continue relief work for at least six weeks

until all former workers had been given jobs. With the termination of this long strike, one prominent textile observer said: "The whole industry owes Amoskeag a debt. The position taken by the management was the best thing for the operatives as well as the owners. It contributed substantially to saving textile manufacturing in New Hampshire. A 48-hour week would have been harmful to every individual and industry in the state."

Amoskeag Operating and Investment Companies
(Five Years January 1, 1927-December 31, 1931)

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After six years of continued heavy losses, Amoskeag Manufacturing Company reported net profits in 1927 and 1929 amounting to over \$500,000 and a million dollars, respectively. On the basis of the latter substantial earnings the operating company distributed a dividend of \$1 on the common and a 4.4 per cent bonus to employees in 1930. That was the only payment in 1927-1931 and as losses in the other three years were more than double the total amount of profit, the final result for the period was a net loss of \$1,514,445. Earnings were based not only on manufacturing profit but also on income from investments and land sales. Receipts from the latter source totalled half a million for the two years, 1928 and 1930.

Market conditions continued generally unfavorable throughout most of this period, which ended with two years of nation-wide depression. Costs were too high and competition was severe. The company received the cooperation of the city in substantial tax reductions and the workers increased their productivity and accepted several wage cuts, but this wasn't enough to keep Amoskeag's mills profitable. Treasurer F. C. Dumaine repeatedly explained the difficulties of the situation, not only at stockholders' meetings but also in special talks to city officials and workers' representatives. When an offer of New York interests in August, 1927 to purchase control for a price equivalent to about \$42,000,000^{was made} and the trustees refused to accept it as insufficient and because it might involve the liquidation of the manufacturing company, the treasurer emphasized to stockholders of the Amoskeag Company that the management wanted the mills to stay in Manchester and was making every possible effort to keep them there. But shareholders voted authority to the trustees to follow their own judgement in regard to the matter of liquidation. Mr. Dumaine declared at this time that there really wasn't any mystery about Amoskeag, as some supposed, but if there were any at all, it was that the manufacturing company had been able to keep going as long as it had.

An important step was taken by the operating company in the latter part of November, 1927, for the purpose of reducing its annual charges and compensating

the holding company to some extent for lack of income on more than 90 per cent of preferred and common which it held. Recapitalization involved the retirement of the manufacturing company's preferred and payment in cash, 20-year 6 percent bonds dated January 1, 1928, and additional shares of common. Amoskeag Company's common stockholders were later offered an opportunity to exchange shares for \$52 in cash, bonds and common of the operating company.

The decline of the manufacturing company's operations was indicated by the fact that cotton and worsted cloth production in five years totalled only 553 and 562 million. This reduced output took place in spite of the management's continued efforts to diversify products. Emphasis was no longer chiefly on yarn-dyed fabrics and by 1931 ginghams constituted only 14 per cent of production. Eighteen different types of rayon and cotton cloth were being made. Repairs and new machinery expenditures totalled more than five million, a certain number of spindles and looms were scrapped, Parkhill equipment was moved to Manchester, considerable land was sold and unused manufacturing space rented to other companies, yet near the end of this period cotton and worsted manufacturing equipment still included 758,552 spindles and 22,450 looms. The downward trend was also evident in the decline in average number of workers, from between 13 and 14,000 to around 10,000 in 1931, when at times no more than 6,000 were on the job and working only 2 or 3 days a week. There was a reduction in annual wages from around ten million to a little more than six million dollars.

When Treasurer Dumaine in April, 1931, reminded stockholders that the following July would mark the company's 100th anniversary, he paid tribute to the pioneers who founded it and expressed the hope that the present management might be able to overcome and survive its difficulties as well as its predecessors had theirs.

Two years before, in 1929, many years of service as manufacturing agents of Amoskeag by three generations of the Straw family were brought to a close with the resignation of W. Parker Straw in January and the death of his father, Herman F. Straw, in June of that year. In the passing of George Wigglesworth, president of the Amoskeag since 1916 and director or trustee more than thirty years, the two companies lost an unusually able member of the board who had been continuously devoted to their best interests.

Cloth production at Amoskeag during the five calendar years 1927-1931 totalled 553.6 million yards, including about 532.4 of cotton and 21.2 of worsted. The largest output in this period was in 1927 with a total of 142.2 million yards, including 136.6 of cotton and rayon and 5.6 of worsted. By 1931, during the depression, only 88.3 million yards were produced. The low point for cotton goods was 84.8 million in that year, but in worsteds the 3.5 million output reported was larger than in 1930, when it was 2.7 million yards.

Cloth Production 1927-1931
(Years ended December 31)

Millions of yards

<u>Year</u>	<u>Cotton</u>	<u>Worsted</u>	<u>Total</u>
1931	84.8	3.5	88.3
1930	105.6	2.7	108.3
1929	109.4	5.4	114.8
1928	96.0*	4.0*	100.0
1927	136.6	5.6	142.2
Five-yrs Totals	532.4	21.2	553.6

*Estimates for cotton and worsted yardage. Total production was given in Treasurer's report.

The company always had what it called reasonable working stocks at the end of each year. Sometimes these included undesirable goods which were later disposed of at a loss, but generally the unsold cloth included regular staple lines. On January 1, 1927 the mills had 22.7 million yards of cloth on hand. By the end of that year there had been an increase of more than 6.8 million in the yardage of cotton cloth carried over and a decrease of 122.3 thousand in worsteds, bringing the total up to 29.4 million. During 1928 unsold cloth was reduced by 13½ million yards. Stocks were up again at the end of 1929, reaching a total of 24.2 million, but by December 31, 1931, the unsold yardage was down to 13,497,950, a decrease for the five years of 9.2 million, the amount by which sales of 562.8 million yards exceeded production in that period. The high point was reached in 1927, when 135,508,717 yards were sold, including 129,761,068 of cottons and 5,747,649 of worsteds. The company disposed of 115 to 116 million yards in 1928, representing production plus 13 or 14 from stock. Details for sales in 1929-1931 are given in the following table.

Amoskeag's Cloth Sales 1929-1931Cotton, Rayon and Mixed Fabrics

<u>Types of Cloth</u>	<u>1931</u> (yards)	<u>1930</u> (yards)	<u>1929</u> (yards)
Ginghams	6,124,379	11,650,125	18,182,853
Shirting Chambrays	4,761,240	9,257,574	9,914,872
Handkerchiefs	4,485,271	989,639	-----
Part Rayon	1,992,094	5,635,793	3,874,149
All Rayon	3,141,015	1,989,707	837,520
Part Linen	56,034	169,107	396,626
Heavy Goods	257,651	298,133	238,393
Sheetings	1,544,474	1,630,943	2,225,841
Prints	28,382,771	15,908,385	11,659,962
Tickings	5,540,326	4,660,710	4,294,228
Narrow Flannels	4,865,692	6,721,255	12,878,949
Diapers	686,084	783,092	94,846
Wide Flannels	15,817,606	19,813,386	23,657,984
Rubberizing Flannels	4,474,692	1,617,330	270,477
Duveteen	1,810,973	2,842,092	5,143,989
Towelings	8,686,516	10,772,949	14,717,544
Auto Cloths	1,900,375	614,131	899,706
Miscellaneous(Theatrical etc.)	127,871	53,876	154,366
Totals	94,654,764	95,408,227	109,442,305

Worsted Fabrics

<u>Types of Cloth</u>	<u>1931</u> (yards)	<u>1930</u> (yards)	<u>1929</u> (yards)
Women's Wear	55,212	744	38,246
Serges and Staples	1,197,973	1,038,305	1,845,992
Frieze Department	9,317	-----	-----
Men's Fancies	2,131,849	1,876,352	3,352,653
Totals	3,394,351	2,915,401	5,236,891

Yarn Sales

<u>Year</u>	<u>Cotton</u> (pounds)	<u>Worsted</u> (pounds)	<u>Rayon</u> (pounds)	<u>Totals</u> (pounds)
1931	4,585,152	2,040,281	450,367	7,075,800
1930	7,899,862	1,695,330	176,584	9,771,776
1929	12,317,180	990,994	350,072	13,658,246
Totals	24,802,194	4,726,605	977,023	30,505,822

The above data on three years' sales show that they ranged from 114.68 million yards in 1929 down to a little over 98 million in 1930 and 1931, with an average of not quite 104 million annually, less than half of the amount of goods the company used to sell in better days. It will be noted that details are given for rayon and mixed fabrics as well as the regular lines of cotton and worsted goods. There are also some figures on yarn sales, which totalled

30,505,822 pounds and consisted of ⁵⁴24.8 millions of cotton, 4,726,605 of worsted and 977,023 pounds of rayon yarns. Amoskeag's own rayon plant, which had been established in 1926, produced approximately 6 million pounds in five years, with a high of 1.7 million in 1931 and a low of 800,000 pounds in 1930. Apparently only about 16 per cent of this production was sold, which meant that the company had at least five million pounds available in this period for its own use.

The extent to which the management had attempted to diversify the output at the tremendous Manchester plant is quite evident from the data presented in the table. Although it wasn't quite correct to say, as one financial paper did during that period, that the mills were rivalling the well known Heinz "57 varieties", Amoskeag was making a wide range of products, from handkerchief and umbrella cloth to mop units. They included 18 types of cotton, rayon and mixture fabrics and 4 different groups of worsteds. For the spring season of 1930 Amoskeag advertised "the most complete line of fabrics in its history". Special emphasis was given to rayon dress goods, which included "many fabrics of exceptional merit, nothing superior, should be seen before purchases are made." Its Cotton Department offered ginghams, chambrays and a complete line of flannelettes "in exquisite colorings," as well as ACA tickings and Hampshires in fancy effects, and towellings. In worsteds there were "staple and fancy effects, in latest weaves and colorings for women's and men's wear." Parkhillfabrics offered included fine cottons in ginghams and shirtings and also cotton and rayon dress goods.

The company had made one of its final efforts to help revive the gingham market in 1927, when it contributed \$10,038 to an advertising campaign for a special promotion of these formerly favored yarn dyed fabrics which had been Amoskeag's mainstay for so many years. In a surprise move in 1928 it announced price reductions on its high quality lines of standard color-fast dress ginghams for fall. There was a vain hope that the lower quotations might help to bring them back to popularity again. Ginghams had been selling below cost for two or three years and some of the best known mills specializing in these

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fabrics had already been closed, including the Everett and Lancaster which a few years before had been considered as possible members of a consolidation together with the Parkhill, which was merged with Amoskeag in 1925. An important reason why the gingham comeback was not successful was that the style trend then favored printed goods rather than yarn-dyed fabrics. But perhaps just as important a factor was that the largest southern producer of dress ginghams, whose competition had been continually crowding the northern mills for several years, followed the latter's lead in reducing prices. The result was that the general situation wasn't much improved, although the Manchester mills were able to dispose of a good amount of their stocks on hand. There had been a substantial consumption of substandard ginghams at prices which would put them in line with the prevailing market, but at that time Amoskeag's lower-end goods production was not so large as in other years. One bright feature of the generally unfavorable market for yarn-dyed fabrics was that goods of the chambray type were then being sold in larger volume than at any time since they had been placed on the market.

Ginghams constituted 32 per cent of the company's output in 1927. The percentage was down to 23 in 1928 and only 14 in 1931. Sales declined from 18,182,853 in 1929 to 6,124,379 yards in 1931, and a total of only 35,957,357 yards was sold in the three years, compared with a peak annual average of 140 to 150 million yards. There was a substantial increase in print cloths sales from 11,659,962 to 28,382,771 yards, with a total of 55,951,118 yards for 1929-1931. None had been produced in previous years when ginghams had their long continued advantage. Sales of 23,933,486 yards of chambray shirtings and 14,495,264 yards of tickings together with the ginghams sold totalled only 74 million yards. Other cloths which Amoskeag had been making for many years were marketed in the three-year period as follows; flannels, 90,117,171 yards, including 59,288,976 of wide flannels; 34,177,009 yards of towelling, and 5,401,258 yards of sheetings. Among the fabrics produced and sold in later years included: rayon and part rayon, 17,740,278 yards; duveteens, 9,797,054 yards; handkerchiefs, 5,474,910 yards; auto cloths, 3,414,212 yards; diapers, 1,563,922

yards, and part-linen cloths, 621,767 yards. The total sales of these newer goods in the three years was 94,293,261 yards. In 1929 Amoskeag sold 200 mop units but in 1931 they had developed a market for 283,584 of them.

The general improvement in the cotton manufacturing industry in 1927 was already evident in the first quarter when sales were reported to be 35 per cent larger than in the corresponding three months of 1926. By April the mills in New Hampshire were operating at the highest rate of capacity for years. At Amoskeag the improved outlook was referred to by Agent W. Parker Straw in his conference with workers' representatives early in May. In fact the manufacturing company was able to report a profit of \$534,561 for the first six months, compared with a loss of \$468,407 in the last half of 1926 and a net gain of \$66,054 for the 12 months ended June 30, 1927. There had been a loss of \$3,565, 104 for the thirteen months to the corresponding date of the preceding year.

When reporting the \$66,054 profit, Treasurer Dumaine pointed out that while it of course represented a tremendous improvement over the preceding period, it should be kept in mind that there was really an operating loss of \$400,253 on the twelve months' sales of \$30,031,249 and \$123,449 was spent on new machinery. The small net profit was made possible because the total of these two items, \$523,702, was more than offset by other income of \$589,756, which included \$439,290 from interest on Liberty Bonds, bank balances and cash discounts, \$143,208 from sales of land and \$7,258 of miscellaneous income. Repairs made at Amoskeag during the year ended June 30, 1927 cost \$1,082,225, of which \$484,568 was expended in the last half of 1926, when \$74,254 was also spent on new machinery.

The above figures on the operations of the manufacturing company were presented to the stockholders of the holding company at the annual meeting held October 5, 1927. It will be remembered that Amoskeag's fiscal years over a long period had ended as of May 31 and the annual meetings of stockholders were regularly held on the first Wednesday in October. During 1925, when the reorganization was in progress, and also in 1926, there were several interim reports on the financial condition and operations of the manufacturing company. But

when the latter's fiscal year was changed to correspond to the calendar year, the treasurer's report was presented at annual meetings held in April. The figures for all of 1927 were made available in that month in 1928 and, as will be seen later, indicated a profit for the period of over half a million dollars, the largest in seven years. The holding company's fiscal year was changed to end June 30, but its annual meeting date remained the same as that of the original trust which it continued.

Amoskeag's total receipts from sales and other income during the five calendar years (1927-1931, inclusive) amounted to \$123,711,728. In addition to manufacturing profits the company had income from investments and from land sales, the latter including \$291,367 in 1928 and \$197,778 in 1930. The \$508,776 earned in 1927 after all charges except depreciation was the company's first profit in seven years. There was another one in 1929, when the unusually large net of \$1,065,535, or \$2.82 per share on 378,191 shares of common stock, was reported. But there were substantial losses in the other three years, especially, during the depression of 1930, when the deficit amounted to \$1,345,390, and as all of the losses together totalled \$3,088,756, the manufacturing company ended the five-year period on the minus side to the extent of \$1,514,445. The cotton division had its best year in 1927. The worsted division, which also did very well in that year, cleared more than a million in 1929 after all charges, including its one-third of bond requirements, while the cotton division failed to earn enough to cover its portion of these obligations. Amoskeag's continued decline was of course accentuated by the great depression.

Comparative Income Account (Years ended December 31, 1927-1931)					
	1931	1930	1929	1928	1927
Sales & other					
Income	\$16,461,697	\$19,802,344	\$30,283,466	\$28,357,405	\$28,806,816
# Mfg. Costs	15,504,210	16,886,724	28,242,843	26,889,898	28,845,966
	*\$957,487	*\$2,915,620	*\$2,040,623	*\$1,467,507	39,150
Chg. in Inv't'y	1,213,388	3,674,800	330,376	1,566,413	*\$547,926
Mfg. P & L.	255,901	759,180	* 1,700,247	98,906	*\$508,776
Net Int paid	526,767	586,210	634,712	861,792	-----
Net Pft & Loss	\$ 782,668	\$1,345,390	*\$1,065,535	\$ 960,698	*\$508,776

#Includes taxes, repairs and new machinery but no depreciation.

*Indicates gains or profits. All other gross net figures are losses.

Analysis of the comparative income account shows that total receipts were larger than the cost of manufacturing in every year except 1927, but from 1928 to 1931 there were decreases in inventory values totalling \$6,784,977 and ranging from \$330,376 to \$3,674,800, as against only one increase, \$547,926 in 1927. The net difference of \$6,237,051 for the whole period resulted in reducing the total net manufacturing profit to \$1,095,036. But interest payments for four years amounted to \$2,609,481, so that there was a considerable net loss for the period as above noted.

Not only did the manufacturing company have to dig into previous surplus to the amount of \$1,514,445 to meet interest requirements but it was still further reduced in 1930 to the extent of \$722,198, of which \$365,977 was used to pay dividends on the common stock out of profits of the preceding year, including 50 cents, April 2 and 25 cents each July 2 and October 2. There had been no dividends on this issue since 1924 and there weren't any more after 1930. The other part of the surplus distribution was the \$356,221 paid as a bonus to the employees. It represented 4.4 per cent of the 1929 wage bill. When these additional payments had been deducted the total decrease in stockholders' reserves for the period amounted to \$2,236,643.

Manufacturing cost details for the three years (1929-1931) are of special interest as indicating the declining trend in that period. The amounts paid for materials ranged from \$16,065,253 in 1929 to \$7,349,859 and \$6,469,596 in 1930 and 1931. Expenses averaged \$1,923,298 annually, with a high of \$2,247,731 in 1929. The cost of labor in the three years was \$8,156,636 in 1929 and averaged \$5,916,514 in the other two years. It had been \$8,324,462 in 1928 and around ten million in 1927. Of course in the latter part of this period operations in the different departments were generally substantially below capacity. The average number on the payrolls continued at more than thirteen thousand until 1931. In that year the 10,848 listed included 6,585 in the Cotton Division and 4,263 in the Worsted Division. There had been 9,202 in the former in 1930 and 5,313 in the latter in 1928.

The cost of repairs and new machinery was charged to operations. In the

five years 1927-1931 a total of \$5,506,490 was spent for these purposes, including \$1,164,932 for new machinery, with highs of \$337,959 in 1928 and \$356,861 in 1930. Expenditures averaged over a million dollars for four years of this period, but in 1931 totalled only \$752,009, of which \$56,914 was for new machinery. Details are given in the following table.

<u>Year</u>	<u>Repairs</u>	<u>New Machinery</u>	<u>Total</u>
1931	\$ 695,095	\$ 56,914	\$ 752,009
1930	673,658	356,861	1,030,519
1929	957,796	157,168	1,114,964
1928	1,020,198	337,959	1,358,157
1927	994,811	256,030	1,250,841
<u>Total</u>	<u>\$4,341,558</u>	<u>\$1,164,932</u>	<u>\$5,506,490</u>

Taxes for the last three years of the period ranged from \$668,259 in 1929 to \$518,519 in 1931. In the two previous years the figures were \$715,171 in 1928 and \$722,876 in 1927, compared with \$868,530 in 1926 and the high of \$932,870 in 1925. Well over three million dollars were paid by Amoskeag in taxes in the five years. Payments in 1927 included \$223,395 on disputed Government claims for additional Federal income taxes for 1923. This was part of a total disputed claim of approximately \$600,000 back to 1919.

Another charge against operations was bad debts, which totalled \$372,046 in this period, exclusive of 1929 when there were none. The highest amount in any year was \$255,901 in 1930 and the lowest \$41,016 in 1931.

Amoskeag's income was reported in several different setups. One is shown in the preceding table. In some instances profits or losses previously mentioned were indicated merely by combined figures on gross manufacturing profit as compared with total expenditures for taxes, interest, new machinery and repairs. The results for 1928-1930 by this method were given as follows: 1928-\$1,959,421 gross manufacturing profit and \$2,920,119 taxes etc.; 1929- \$3,704,071 and \$2,638,537, and \$1,093,880 and \$2,439,270 for 1930.

Probably one of the most detailed accounts of the manufacturing company's operations in the five-year period covered in this part of the history is the following taken from a statement prepared later by Stewart, Watts & Bollong, public accountants and auditors, Boston, Mass., for the bondholders. As most of the gross or net figures represented losses, those instances where there were gains

are starred.

Consolidated Profit and Loss Statements
(Years ended December 31)

	<u>1931</u>	<u>1930</u>	<u>1929</u>	<u>1928</u>	<u>1927</u>
Net Sales	\$15,962,246	\$19,163,228	\$29,294,528	\$27,119,207	\$27,034,575
Cottons	9,660,783	12,886,117	18,673,708	17,752,688	17,514,462
Worstedes	6,036,810	6,129,469	10,263,121	9,068,660	9,232,468
Rayons	264,653	147,642	357,699	297,859	267,645
Cost Goods	16,517,149	20,754,001	27,605,108	27,129,015	25,631,965
Gross on Mfd	554,903	1,590,773	* 1,689,420	9,808	* 1,402,610
Pur Yn Profit	9,160	10,926	6,591	11,099	31,151
Gross on Sales	545,743	1,579,847	* 1,696,011	8,708	* 1,433,760
Operating Expenses	546,988	575,473	601,755	611,793	548,696
Net from operations	1,092,732	2,155,321	* 1,094,256	620,501	* 885,064
Other Income	485,033	90,529	264,512	135,330	643,653
Total Income	607,699	2,064,792	* 1,358,768	485,171	* 1,528,717
Other Charges	181,019	453,731	341,226	310,147	324,121
Net before Bond interest	788,718	2,518,523	* 1,017,542	795,319	* 1,204,596
Bond Interest	748,120	789,686	855,406	869,145	-----
Net after all charges	1,536,838	3,308,209	* 162,136	1,664,464	* 1,204,596
Net Parkhill and Delta	15,791	11,710	84,554	* 8,458	196,311
Net to reserve	\$1,552,627	\$3,319,919	*\$ 77,582	\$1,656,006	*\$1,008,285

*Indicates gains or profits. All other gross and net figures are losses.

The above statement shows that net sales ranged from \$29,294,528 in 1929 and over 27 millions in 1927 and 1928 to \$15,962,246 in 1931. The total of \$118,523,784 included \$76,487,758 for cottons, \$40,730,528 for worsteds and \$1,335,498 for rayons. A profit of \$68,927 is indicated from the sale of purchased yarns and other income amounted to \$1,619,057. These figures show a net loss for the five years of \$1,880,422 before bond interest of \$3,262,357 and other charges and a deficit of \$5,142,779 after they are deducted. A loss of \$299,908 from the subsidiary "Parkhill" and Delta Land Co. brings the total loss for the period, on the basis of the accounting used in the above statement, up to \$5,442,685, which compares with \$1,514,445 before depreciation as indicated in the usual income account.

The general balance sheet of Amoskeag Manufacturing Company for the calendar years 1927-1931, inclusive, compares as follows:

General Balance Sheet

<u>Assets</u>	<u>Dec.31,1931</u>	<u>Dec.31,1930</u>	<u>Dec.31,1929</u>	<u>Dec.31,1928</u>	<u>Dec.31,1927</u>
Real Est.&Mach	\$14,374,142	\$14,377,914	\$14,383,819	\$14,595,151	\$16,684,576
Cash	* 8,104,672	862,830	106,039	62,336	538,386
Investments		1,129,078	366,592	580,978	119,441
Acc'ts Rec.		7,357,105	7,235,288	6,046,847	4,958,462
Inventories	3,215,178	4,428,567	8,103,366	8,433,743	10,172,413
Total	<u>\$25,693,992</u>	<u>\$28,155,494</u>	<u>\$30,195,104</u>	<u>\$29,719,055</u>	<u>\$32,473,278</u>
<u>Liabilities</u>					
Funded Debt	\$12,463,000	\$14,000,000	\$14,000,000	\$14,665,000	\$14,665,000
Notes & Accts Payable	227	48,804	76,210	28,223	43,942
Profit & Loss & Reserves	13,230,765	14,106,690	16,118,894	15,025,832	17,764,336
Total	<u>\$25,693,992</u>	<u>\$28,155,494</u>	<u>\$30,195,104</u>	<u>\$29,719,055</u>	<u>\$32,473,278</u>
Net Quick Assets	\$11,319,623	\$13,728,776	\$15,735,075	\$14,095,681	\$15,744,760

*Includes investments and accounts receivable in this year.

Real estate and machinery valuation show a decrease of \$2,310,434 to \$14,374,142 on December 31, 1931. Most of this reduction took place in 1928, when \$1,798,058 was charged off because of the discontinuance of the Parkhill plant at Fitchburg, Mass. and the removal of some of the equipment to Manchester. It was explained that this amount was deducted from the reserves of shareholders for income tax purposes and had no relation to the decrease noted in the net quick. One of the charges mentioned in the 1928 report was \$95,000, which included the expense of moving Fitchburg Division and the cost of printing new securities in connection with the bond issue. Receipts from sales of outside real estate during the year amounted to \$291,367. About \$100,000 of this represented the purchase price for the large Mill C unit at Fitchburg, reported in April to have been sold to the Berg Company, Gardner, Mass. then in August to the Likely Luggage Company of Rochester, N.Y. for immediate occupation of the unit's Russell Mill.

Amoskeag by this time was not only gradually disposing of its outside real estate holdings but renting unused mills. It leased the entire wooden weave shed known as Mill No. 12 with 100,000 square feet of space to E.R. Apt Co. In the old Langdon Mill of the Northern Division 50,000 square feet were leased

to two different concerns.

The City of Manchester's assessment on the company's properties had been \$33,399,000 in 1926 but in 1927 was reduced to \$26,000,000 and remained at that figure for three years. Later reductions brought it down to \$22,705,200 in 1930 and to \$18,343,600 in 1931. The company explained that the lower 1930 figure didn't represent all of the \$3,295,000 that it appeared to, but actually only \$2,640,000, as there had been a net loss in the value of stocks in trade to the amount of \$654,756. However, it will be noted that there was a total lowering of taxable value of more than \$7,656,000 in the 1927-1931 period. The total decrease from 1926 was 15 million dollars. In the meantime the company's portion of the Manchester valuation decreased from 23 to 17 per cent.

Reference has been made previously to the company's expenditures for repairs and new machinery, amounting to a total of over \$5,500,000 in the five-year period. Partial figures on the disposal of equipment indicate that 85,352 spindles were scrapped, and 12,272 looms dismantled from 1927 to 1931, including 67,032 spindles and 5,700 looms in 1928. The equipment trend at Amoskeag was also illustrated by the fact that whereas in 1921 the company had 750 employees in the machine shop and 250 in the construction department, or about 1,000 in all, by 1929 the total for both was only 250 and by 1931, 100 or less. Statistics for 1929 and 1930 credit Amoskeag with 758,552 spindles, 687,600 cotton and 70,952 worsted, and 22,450 looms, 21,084 cotton and 1,366 worsted, still the largest plant of its kind in the country but operating only part time.

In the company's 1931 balance sheet, investments and accounts receivable were grouped in one amount, \$8,104,672, which compared with \$5,616,289 in 1927, an increase of \$2,488,383. The \$14,876,778 value placed on these items at the end of 1926 had included \$3,815,071 of cash and \$4,448,500 of U.S. Liberty Bonds, a total of \$8,263,571. The retirement of the preferred stock in 1927 required the distribution of \$8,135,076 in cash as well as the new bond issue. Apparently part of the increase from 1927 to 1931 was due to the gain in investments. They had been increased to \$1,129,078 in 1930, as compared with \$366,592 in the preceding year. The larger investment account was due to the company's purchase

of \$762,486 of its own bonds which had been cancelled. In 1927 this item had been only \$119,441.

The most substantial change had been in inventory, a total net loss in value of \$6,957,235. In the first year of the period the \$10,172,413 inventory consisted of \$5,449,992 for cotton, \$3,952,648 for wool and \$719,773 for manufacturing supplies. The complete stocks of raw material and stocks in process and supplies at the end of 1931 was only \$3,215,178. It wasn't until 1933 and 1934 in the NRA period this item got back to near the 1929 level. Some indication of the amount of cotton the mills were using in the best years of this period is shown in the 1929 statistics. On January 1 of that year there were 21,516 bales on hand. The purchase of 92,216 bales during 1929 brought the total available supplies up to 113,732 bales, 86,421 of which were delivered to the mills. In top years the plants were using 125,000 to 150,000 bales annually.

At the end of 1926 Amoskeag's net quick amounted to \$23,740,739. In the balance sheet of the following year working capital had been reduced to \$15,744,760, or a loss of approximately 8 million, which corresponded to the change in cash position previously mentioned. By December 31, 1931 net quick was down to \$11,319,623, a loss of \$4,425,137 during the five years, which was a natural development after such substantial manufacturing losses. Under the conditions of the bond issue the net quick could not fall below 50 per cent of the principal cost of the bonds, which initially amounted to \$14,665,000, but had been reduced to \$12,463,000 by 1931. It will be noted that notes and accounts payable continued very small, about nominal, especially in 1931, when they were only \$227.

In considering the changes in the profit and loss reserves for shareholders the several factors already discussed, including manufacturing losses, plant charge-offs and the bond issue must be kept in mind. The figures show a decrease from \$40,425,315 at the end of 1926 to \$17,764,336 in the 1927 statement and then to \$13,230,715 by December 31, 1931 or losses of \$22,660,979 and \$4,533,521, respectively. But when the amounts of the funded debt and reserves are

combined the decrease is only from \$40,425,315 to \$32,429,336 in 1927 and to \$25,693,715 in 1931. The change in bonds and reserves together totalled \$7,735,621. There was a decrease of \$2,202,000 in the amount of bonds outstanding to \$12,463,000 in 1931. The eight million cash payment to former preferred stockholders in 1927 and the total loss for the five years will explain a good part of the changes. It will also be remembered that the dividend and employe bonus distributions in 1930 required a total of \$722,198 and that \$1,798,058 was charged off plant value because of the abandonment of the mills at Fitchburg.

The preceding figures have shown that in spite of the general improvement in the textile business in 1927 and 1929 and the fact that Amoskeag was able to show net profits in those years, during the rest of the period heavy losses were suffered because of the continuation of the company's well known fundamental difficulties. They were partly relieved by downward readjustments in general and specific wage rates and some reduction in local taxes.

The liquidation of the operating company's properties had been discussed frequently since the reorganization, but it received special attention in the summer of 1927. The mills had shown a good profit in the first half year. In August the trustees of The Amoskeag Company, were informed through Curtis, Sanger & Co., investment bankers, that certain New York interests desired to purchase the holding company, with a view to liquidating its assets at a price substantially larger than previously quoted market prices for its stock. It developed that the prime mover in the proposal was Edward C. Carrington, who asked for a 60-day option for the purchase of the Amoskeag Company's shares at \$100 and accrued dividends for the preferred and \$90 for the common, then quoted at around \$60, plus additional money after the liquidation of the quick assets, payment of expenses and brokers' commissions. Such a change in ownership of the holding company, which controlled over 90 per cent of the stock of the manufacturing trust, was expected to result in the eventual liquidation of the latter's properties. There was a feeling at the time that Carrington might be representing some really large special interests, perhaps Dupont, who might develop the Amoskeag plants into/rayon manufacturing organization. At any rate;

attention was called to the fact that the offering price for the holding company, involving control of practically all of the stock of the manufacturing organization, was not even equal to the worth of their combined quick assets and that the purchasers would get the fixed assets for nothing, including enormous and valuable power resources which compared quite favorably with the Insull's potential capacity in New Hampshire at that time. Reference was also made of the possible interest of the New England Power Company of Northern New Hampshire in the Amoskeag hydro-electric and other water power developments as a means of connecting its northern and southern fields. This idea is interesting in view of the later sale of the hydro-electric development to that company.

The option sought by the New York interests was refused by the trustees of the holding company at a meeting held September 8, but they decided to put the matter of liquidation up to the shareholders at the annual meeting on October 5. By a vote of 356,803 to 955 at that time the trustees were authorized "if they deem it wise, to liquidate in their discretion, the whole, or any part, of the assets of your company, upon such terms and conditions as they deem for the best interests of the shareholders." The shares present or represented by proxy included 75,016 preferred and 286,056 common, 80.55 and 83.5 per cent, respectively, of the outstanding stock and definitely more than the required two-thirds. A motion by Garrard Glenn, representative of Carrington, asked trustees to investigate any offer they might receive for the property and report to stockholders and also that the meeting be adjourned two weeks for that purpose. Because it had not been published in the call the motion was ruled out of order.

Explaining the trustees' reasons for rejecting the New York offer, Treasurer Dumaine said that it had been 96 years since the original charter was granted to Amoskeag. During that whole time the concern had continued to grow and prosper. There had been good times and bad times, perhaps not quite as bad as in that period and the preceding three or four years. Its bills and obligations

of every sort had always been paid and the return to the owners had compared with those of other New England textile companies. The owners had never required the shareholders to come forward and help finance the company out of their own pockets. It had always been favored with good management, quite competent to manage its own affairs, without the volunteer assistance of outsiders. There had been no occasion for the owners of the property to pay anyone, or make anyone presents for liquidating their property. The management had no intention of abandoning operations in Manchester and bringing to the city the disasters which such a move would entail. Ties of interest and sentiment would continue to bind them to the city and the community. Treasurer Dumaine concluded that with the assistance of the shareholders and the workers in the Manufacturing Company and the community's support, the company preferred to stay in business if it was possible to do so without loss of assets. Failing in that the trustees would presumably liquidate in an orderly manner in accordance with the authority just granted to them almost unanimously by the shareholders.

After this meeting, however, there was a fairly general feeling that the stage was being set for Amoskeag's gradual withdrawal from the Queen City of the Merrimack. The importance of Amoskeag to Manchester was continually stressed. It was pointed out that the company and its welfare were the very heart of the city. Practically half of its 84,000 population depended entirely on the mills for support and about 50 per cent of the other half were indirectly dependent on Amoskeag. A large number of people believed that the mills would continue in some way and ridiculed the idea that the plant would be junked. Others called attention to the fact that gradual liquidation was already in process, as indicated by the company's disposal in recent months of thousands of dollars worth of property, both land and buildings. At any rate, the general opinion was that Amoskeag was fully capable of doing its own liquidation, if such a development should be decided upon. There was also a consensus that if the company's stake in Manchester should be reduced to a minimum there would be no alternative to bankruptcy and unemployment.

A definite change in the Amoskeag financial situation took place in November. In that month a new recapitalization plan went into effect, which by many was regarded as the second important step leading to the final liquidation of the Manufacturing Company. By the middle of November there were rumors of a proposed plan for the Manufacturing Company to acquire the 93.37 per cent of its 6 per cent preferred, 264,720 shares, owned by the Holding Company, and retire them and all other stock and replace it with a bond issue. The expectation that this would lead to a substantial distribution by the Amoskeag Company resulted in an advance of $9\frac{1}{4}$ points in the market value of the latter's common stock in one day, bringing it up to $99\frac{3}{4}$. On the afternoon of November 21, the day set by the trustees for special meetings of the stockholders of both companies to consider the proposed purchase, the common stock of the holding company was quoted at 103 to 108.

There were three meetings held. At the first one on the morning of November 21, Mr. Dumaine doing double duty as trustee and treasurer of both trusts, recommended that the operating trust buy its whole issue of 285,000 shares of preferred stock held by Amoskeag Company and Parkhill interests for \$8,135,076 in cash, plus \$14,665,000 in new 20-year 6 per cent bonds, and 13,191 additional common shares. The trustees, subject to the approval of the shareholders, un-animously adopted resolutions to amend the declaration of trust, to buy in the preferred stock, issue the bonds and additional common stock, and list the shares of the trust on the Boston Stock Exchange. Talk in investment circles was to the effect that the offer was equivalent to \$28.54 a share in cash, \$51.45 a share in bonds and $1/20$ a share of common for each share of the Manufacturing Company's preferred. A value of \$22.50 a share was placed on the latter's common stock.

At the second meeting a certified copy of all three resolutions, with full detail was presented to the shareholders of the operating trust at Manchester at 12 o'clock noon. By affirmative vote of every share of both preferred and common stock these resolutions were "in all respects approved, ratified and confirmed." Attention was called to the fact that whereas the bond interest requirement would be \$879,900 annually, the payments of dividends on the 6 per cent

preferred, which were to become cumulative in 1929, would have been \$1,710,000 a year. It was explained that this would place the Manufacturing Company's common in a correspondingly better position. There would then be 378,191 shares of the latter outstanding, compared with 365,000 previously issued.

Two hours later, at Boston, the trustees of the old trust held the third meeting of the day. Mr. Dumaine, now acting as treasurer and trustee of the old trust, reported what had transpired at the two previous meetings. The news was not entirely unexpected, because the trustees had already prepared a plan for the voluntary liquidation of the common stock of the trust. The plan was described in a printed circular to their shareholders, bearing the same date. With its consummation the Holding Company would own in place of the previously held 264,720 shares of the Manufacturing Company's preferred, \$13,692,700 of the latter's bonds and 12,316 additional of its common stock, bringing the amount owned up to 342,316. This circular also explained an option by which holders of the common stock might accept for each share \$52 in cash, \$40 in the newly issued bonds of the operating trust, and one share of the latter's common stock. When the plan was actually put into effect common shareholders of the Holding Company were given until December 6, 1927 to take advantage of the offer. Exchange of shares was through the Old Colony Trust Company in Boston. About 73 per cent of the common shareholders of the old company accepted the offer and exchanged 252,135 shares, leaving 90,181 of that issue outstanding.

The distribution of bonds, cash and additional common stock by the Amoskeag Manufacturing Company when it retired its preferred and the value placed on bonds and shares are explained in the following tabulation:

	<u>Amoskeag Co.</u>	<u>Parkhill</u>	<u>Total</u>
Manufacturing Co's 6% Bonds	\$13,692,700.00	\$ 972,300.00	\$14,665,000
Cash	3,082,120.46	539,355.54	3,621,476
Liberty Bonds	<u>4,513,600.00</u>	<u>-----</u>	<u>4,513,600</u>
Common Shares	<u>12,316</u>	<u>875</u>	<u>13,191</u>
	\$20,600,883.46	\$1,462,844.54	\$22,063,728
	330,000 sh.	35,000 sh.	365,000 sh.

The value placed on the retired preferred was \$77.41 per share. The \$22,063,728 is obtained by valuing the bonds at the market (93) and the additional common on the same basis at 22, or \$13,638,450 and \$290,202, plus cash and Liberty Bonds. The 365,000 common for fixed assets are valued at 22.

Prices on the common stock of the Manufacturing Company valued at 22 in the above tabulation ranged from $19\frac{1}{2}$ to $27\frac{1}{2}$ in 1927. High and low quotations in the following years of this period were: 1928-27 and 18; 1929-24 $\frac{3}{4}$ and 10; 1930-183/8 and $6\frac{1}{2}$ and 1931- 14 and 3. The decline in the Operating Company's production and income and the fact that dividends on the common were paid only one year, \$1 in 1930 from 1929 profits, were responsible for the downward trend in the prices on the stock after 1927. The 20-year 6 per cent bonds valued above at 93 were priced from 96 to 87 in 1927 and 1928. The range in the next two years was 90 to 71, with the lower price quoted in 1930. The bonds went as low as 58 in 1931, when the high was only 79.

Although there had been evidence of some recovery in the cotton goods industry in the first few months of 1927, the management at the end of March of that year reported to the workers' conference that "every known economy must be instituted, and it will continue to be its aim to see that a high state of individual productivity is maintained, and, when possible, increased." Agent Straw stated that because of the difficult manufacturing conditions the management would have to make changes in specific rates where economies could be reasonably made without injustice to the individuals affected. He added that where people were requested to do a greater amount of work, additional compensation would in some instances, where the facts warranted, be paid. He suggested that under the conditions a general wage agreement such as had been in effect for the previous few years did not seem advisable at that time, and that no action of any kind would be taken. The matter would be indefinitely postponed. When waited on by a committee April 7 the agent promised to correct certain grievances and the committee decided to accept the conditions as they then existed for another six months. On May 2, when the agent referred to the better outlook in the cotton end of the business, 200 employees' delegates attended the conference.

But when the Manufacturing Company's workers met in October a week after the meeting of the Holding Company, Agent Straw spoke of the general conditions of the industry, with special reference to the crisis that the operating concern was passing through. He congratulated the employes for their earnest endeavors to help out the situation by accepting additional work. He cited instances of other New England mills that had liquidated in the past year or so, the Hamilton, Everett, Lyman and Great Falls. He mentioned Mr. Carrington's offer of 42 million dollars for the stock of the Amoskeag Company and reminded them that the liquidation of the mills would have been a severe blow to the City of Manchester and the State of New Hampshire. For this reason something had to be done to keep the mills running. The reduction of taxes by the City had helped some, but not enough to pay common stockholders any dividends. After hearing the agent's explanation of the situation the workers' convention postponed action on the wage question for another six months. Before adjournment the chairman of the convention moved that a vote of thanks and confidence be given the management for their action in rejecting the Carrington offer. This was carried unanimously. The next convention of workers' delegates was a special meeting called by the agent for December 13 to tell them that "a reduction in salaries and wages was imperative at that time, because of continued competitive conditions and the fact that general business was so bad, they were not getting orders. He referred to the capital reorganization adopted in the preceding month and the definite obligation to meet interest charges on the 6 per cent bonds, amounting to \$880,000 a year. He explained the fact that if the interest was not paid to the bondholders they could recover the amount of their bonds by having the plant sold. A ten per cent reduction in wages would pay the interest charges on the bonds, he said.

To ameliorate the effect of the wage reduction, the management promised to help cut the cost of living by reducing the rents in the company houses. The agent pointed out that weavers, spinners and card room help were earning about as much as before the reduction in 1924; weavers, 98 per cent; card room help 97.9 per cent, and spinners, 95.6 per cent, that some in the card room were

e 22.
earning more than in 1924. These increases had been made possible because the employees had been working harder and with a continuation of their cooperation they would be able to get back, in the time to come more, than in the previous four years. He declared that he doubted whether the mills would be running if wages hadn't been cut in 1924. Employees had been lucky to be working at all the past two years even with the reduction. However, representatives voted to go on record as opposed to any reduction in the wage rate at that time and suggested a curtailment of production in line with other New England mills. A committee of five was appointed to see Mr. Straw and tell him how the workers felt. On December 15, the agent repeated the management's position and said that it didn't matter what action the convention took, a wage reduction would go into effect December 24. The convention reaffirmed its action and there was considerable discussion relative to the advantages of continuing the representation plan.

When in the following April one delegate said that the employees not having agreed to the reduction, the management had no right under the plan to enforce it, Agent Straw stated that he had no such conception of the plan or the management's obligation under it. The reduction had been imperative. He felt sure that in reducing wages 10 per cent the plan had not been violated. The convention then agreed to postpone indefinitely any suggestion of a wage agreement. From 1924 to 1927 the annual payroll at Amoskeag was practically stationary at 10 million dollars. On October 8 of the latter year the company reported 10,000 on the payroll, the majority working on a part time basis, two or three days a week.

When Treasurer Dumaine presented his report for all of 1927 at the annual meeting on April 18, 1928, he said that although the Manufacturing Company showed the largest profit in seven years, its income had not come entirely from the sale of goods. As a matter of fact the year was generally unprofitable, and he didn't expect full operation for the coming twelve months of 1928. Demand was still slack, costs high and competition strong. On the date of the meeting the mills were operating at only 60 per cent capacity in the Cotton Division and 62

per cent in the Worsted Department. He explained that there had been a loss on the company's Delta property due to the Mississippi flood which had interfered with operations and resulted in increased expenses in that department. Of course costs would continue high in any period of part-time work in any of the mills but they would be kept down as much as possible. Taxes were still too high, he declared, adding that assessments were excessive compared with prices of used machinery on the open market and low plant values noted in textile mill sales. He was grateful for the reduction granted the company in 1927, but a tax of \$722,876 was still too heavy under existing business conditions. He called attention to the fact that the company had to earn enough to pay interest on bonds as well as a reasonable return on money invested in the plant by shareholders. It was imperative that the management institute every possible economy and community and employees do whatever was necessary to enable the concern to compete in the market with other mills, otherwise, there could be but one result liquidation. He concluded with the warning that trustees had no right to dissipate in losses, the assets which belong to owners and creditors.

Speaking at the fourth annual convention of the workers' congress April 21, 1928, Treasurer Dumaine emphasized the necessity of giving shareholders part of accumulated earnings in order that the company's considerable surplus should cease to become a target for Wall Street interest, explaining that so long as the market value of the stock was so much less than the quick capital, those interests might gain control and force liquidation at a profit to themselves. He stated that the distribution of surplus to the shareholders in the recent recapitalization and the retention of a proper amount to run the business, simply meant that the company had issued bonds to that amount and were only borrowing from the bondholders rather than from the banks and on fully as satisfactory terms.

In reply to a question from one of the members of the congress, the Treasurer declared that the uncertainties of the market precluded any wage agreement. He asked one of the workers' representatives "if he were running the mills, would he not want to know what the market was going to be for the six months' period

in order that he might be reasonably sure of disposing of his product at prices which would enable him to pay the wages?" He added that he would not object to a six months' agreement, if he could be sure the market would hold and goods could be sold at a profit, but if after making an agreement the market fell off, the mills would have to stop or suffer severe losses in operation.

There was no change in the wage situation at Amoskeag during the next six months. A reopening of the discussion on rates took place in October when the settlement of a four months' strike in New Bedford had resulted in changing the previously instituted 10 per cent wage reduction to 5 per cent, and Fall River mills had put their rates in line with New Bedford basis by a $5\frac{1}{2}$ per cent increase.

Influenced by these developments Amoskeag employe representatives at their convention on December 6, 1928 voted to petition the management for a $5\frac{1}{2}$ per cent increase in wages. Agent W. Parker Straw replied that he was in sympathy with the feelings of the workers on the matter, but their request was untimely. "It is true", he explained, "that there is a healthy demand for our products, but the returns to the company are not so favorable. Business is taken today in small quantities for immediate delivery, and that is the kind of orders that are now on our books. The high cost of quick delivery demanded by the trade is eating into our profit. Furthermore, because of short warps and mechanized changes which take more time to get the goods out, more looms have had to be put into operation. After the agent's statement the convention agreed to table the wage question indefinitely.

Although Amoskeag had 13,843 workers on its payrolls in 1928, because of irregular employment the amount paid in wages was less than in several preceding years. The 8,530 employed in the Cotton Division and 5,313 in the Worsted Department received a total of only \$8,324,462 in wages in 1928, compared with around \$10,000,000 paid in 1924-1927.

That the Amoskeag had no plan for liquidation at that time was emphasized by Treasurer Dumaine in a thirty-minute talk he delivered on the night of February 4, 1929 before a group of Manchester city officials and other leading

citizens, about 200 in all. But he did explain in considerable detail the competition and other problems with which the Manufacturing Company had to contend. This was Mr. Dumaine's first appearance before a Manchester audience and the local newspapers reported that he "made a fine impression."

The treasurer told about the extent of Amoskeag operations, including the purchase of large quantities of raw material and some 2,200 different kinds of supplies and the employment of thousands of workers to convert and then try to sell their production for more than it cost. He said that there was no more mystery about Amoskeag than about any other business. Of course there were certain things they must keep to themselves in a competitive market. If there was any mystery, it was as to how Amoskeag had been able to keep going without asking for more money from the owners or perfecting a new organization.

The treasurer referred to three factors that were responsible for the vexatious situation that existed in the textile industry at that time. They were excessive production, change of styles and the willingness on the part of some managers to sell at less than cost. There would be no improvement in the situation until all manufacturers refused to dispose of goods at a loss. Existing prices were below Amoskeag's production costs, he said. The conditions described had existed not only all over this country but even abroad. With special reference to New England, Mr. Dumaine said that it had suffered a loss of four or five million spindles and operations in that section were far below normal, only 55 to 60 per cent of capacity, while the spindles in other parts of the country increased to 19 to 20 million, the number also previously installed in New England, were operating on an average of 90 per cent of capacity.

He called attention to the fact that in the preceding year (1928) the company in order to pay taxes, interest on bonds and notes and to expend \$337,000 on new machinery and settle current expenses, including payrolls, had to dip into its quick capital to the extent of \$960,000, and declared that this couldn't be repeated many times. Referring to the offer made a short time previous by a company which intended to liquidate Amoskeag at once, he said that with a continuation of existing difficult conditions and more large financial losses, another

offer might find the owners more favorable to a sale. Mr. Dumaine promptly added, however, that "Personally, I am ready to do all that is possible so that we may carry on. I am ready to make further economies to assume all responsibility and stand every criticism to accomplish this. We want to go on doing business. We can't continue at a loss. If you have a remedy for the situation let me know. Lessening of taxes could be the community's contribution to Amoskeag in this crisis." The burden of taxation, he explained, was making it hard for Amoskeag to prosper. The plant and machinery were assessed for 12 million, but wouldn't bring anywhere near that at a public sale. Present stock quotations represented a value of only \$7,500,000 for the property.

He couldn't tell the city officials anything about the future prospects. There had been a falling off of production over a period of years. In 1928 only a hundred million yards were manufactured. In 1920 when business was at its height the output was 223 million yards. In 1928 the gross sales in all departments were only 28 million, compared with 56 million in 1920. In 1928 each week the company had a payroll of \$190,000, city taxes ~~were~~ \$14,000, and \$16,000 was needed to run business, to say nothing of the cost of coal, cotton, wool and supplies. "The only comfort we got out of 1928," said Mr. Dumaine, "was that the Government hadn't seen fit to put a tax on losses."

"The question for us," he concluded, "is to decide whether it is worthwhile tiding this big corporation along until we can operate at a profit again. Sacrifices must be made. Quick capital must not be touched. The owners are willing to help in this critical time, but they won't put any new money into the company. The depletion of quick capital means that Amoskeag must go out of business. Don't let us imagine that because Amoskeag has always met its payroll on time and kept its plant intact that it is immortal."

That he preferred to keep the Amoskeag mills in Manchester as long as he could was emphasized by Treasurer Dumaine again at the annual meeting of the Manufacturing Company April 13, 1929, when he presented his report for the calendar year 1928. "This great textile plant was started here and belongs here," he declared, "If I can't make money, I'll do as well as I can." He fairly shouted in answer, it was reported. Mr. Dumaine added that everything possible would

be done to put Amoskeag on a paying basis. If that couldn't be done after a fair trial, then it would be time to discuss liquidation. He reported that as he had said for the past five or six years, the prospects were not very encouraging. He mentioned the \$700,000 city tax as the greatest handicap in those difficult times. The meeting was one of the largest in several years, with 90 per cent of the outstanding stock represented.

The following week, April 21, the treasurer attended the fourth annual meeting of the representative of the employes and management. He spoke to the mill workers for an hour and a half and gave them the "cold facts" about the Amoskeag situation. In discussing problems of mutual interest in "this typical family gathering," Mr. Dumaine emphasized the necessity of economy, if the shareholders, workers and the community were to prosper and be successful. He answered questions put to him by the delegates and declined to relinquish the floor until he had replied to every one of them. It was after 10 O'clock when he had concluded his remarks and he was given a flattering ovation. Later in the lobby with other officials of the company he met representatives of the 10,000 workers at Amoskeag. Seated with Mr. Dumaine at the head table were Herman F. and W. Parker Straw, Arthur W. and Russell B. Lowe and Frank P Carpenter of Manchester, a member of the board of trustees for many years.

One trade report at about this time declared the mills were "like the old Amoskeag in superior management and size, but a new Amoskeag in production and efficiency." Wages might be 50 per cent higher than in some distant competing mills but ultimate costs compared favorably with any mill in the country on similar goods and better than most of them, it was stated. It was further noted that the writer had seen Amoskeag refuse all invitations to locate elsewhere or to liquidate and had seen old stockholders regularly getting large returns on their original investment.

In June, 1929 it was reported that Amoskeag was operating on nearly normal schedule, with some departments working part time because of stocktaking. Rayon and flannel orders were heavy, but there had been the usual seasonal falling off in yarns and fancy weaving. The Worsted Department was experiencing a slight

let-up. customary at that time of year, it was stated.

W. Parker Straw resigned as agent and secretary in 1929, offices which he had held for about ten years. His resignation was announced on January 18, and effective on that date. Parker Straw, well known also as Colonel, had been associated with the Amoskeag for about thirty years, including a long period as superintendent under his father, Agent Herman F. Straw. He, himself, had been promoted to agent in 1917, but because of his enlistment during the First World War, including service with the War Industries Board and several months in France in the Purchasing Department of the Quartermasters Corp, Colonel Straw did not assume the duties of agent until his return late in 1919. He did not officially take over again until the following year. In the meantime his father, who previously wanted to retire, continued in that office. Parker Straw was agent when Amoskeag enjoyed its peak dollar sales and largest income as well as during the difficult post-war years, including the big strike in 1922 and the seven following years when the textile industry in general was in a decline and production at Amoskeag was substantially reduced and manufacturing losses were large and continuous. He had been agent also at the time the Stark was acquired and in the years of the reorganization and the merger with the Parkhill, when the Manufacturing Company became a separate organization but controlled by the original trust continued as the Amoskeag Company. With his resignation as agent the long line of three generations of the Straw family who in that office had directed the management of the manufacturing end of the business, was broken. A mill career in textiles had been a tradition with this family for nearly 100 years. Since his retirement up to the present time Parker Straw has continued prominent in banking and civic activities ^{as} and agent of Amoskeag Industries.

His father, Herman F. Straw, who after his retirement as agent, had continued to serve as consulting engineer and secretary, passed away July 9, 1929 at the age of 79. He had been actively associated with Amoskeag as agent or Secretary or both for 45 years, during 34 years of which he was agent while the company's mills were growing into the largest in the world and reached peak production of 235 million yards. His total length of service was 57 years, as he had

29.

come to Amoskeag when he was graduated from Harvard in 1872, while his father E.A.Straw was still agent. When he became agent in 1885 he was also elected clerk of the corporation and continued in that office under the title of secretary after 1911 until his death. During the past ten years of his life H.F. Straw was always active in the best interests of Amoskeag, not only as secretary but also in an advisory capacity and as consulting engineer.

Following the resignation of W.Parker Straw, Arthur O.Roberts, who had been with the company for about twenty years, including service as head of the Worsted Division and in more recent years as manufacturing superintendent since 1920, was made general superintendent in 1929 in charge of operations at the Manchester plant. He was later elected secretary of the Amoskeag Company after the death of Herman F. Straw.

At this time Henry E.Rauch, an experienced accountant, came into the Amoskeag organization. He had been head of the efficiency or planning department and then of the accounting department. In 1930 he succeeded Mr.Roberts as secretary of the Amoskeag Company. He already held the same office in the operating company. Later Mr.Rauch became acting agent of the manufacturing organization and continued in that position until the liquidation of the mills in 1936.

There were several changes in the personnel of the board of trustees of the Amoskeag Manufacturing Company in this period. When organized in 1925 it consisted of nine members. The number was soon increased to twelve. In 1931 they included F.C.Dumaine, treasurer; A.H.Lowe, president, and Charles P. Adams, Philip Dexter, George Peabody Gardner, W.C.Endicott, R.B.Lowe, F.C.Dumaine, Jr., G.Peabody Gardner, Jr., Walter H.Trumbull, Jr., Alexander Winsor and William Dexter. The latter succeeded George Wigglesworth in 1931. Mr. Wigglesworth had been a director or trustee of Amoskeag for thirty years, since 1925 in both old and new companies, and had served as president of the original trust since 1916. G.Peabody Gardner, Jr. and Walter H.Trumbull, Jr. were elected to the board when it was enlarged, along with Robert Winsor, who was succeeded at his death in 1930 by his son, Alexander Winsor.

During the years 1930-1931 more reliance was placed in individual wage adjustments rather than general reductions. This was achieved by several

expedients, including increase in job assignment and compulsory overtime at straight-time pay. Continual objections by the workers to the latter, especially, were to no avail. A plan of "reservation prices" had gone into effect in the summer of 1929. It provided that those employed on a certain type of cloth would be paid at a reduced rate in order to compete effectively for a given order. A letter to the chairman of the joint committee on adjustment of the Cotton Section dated August 13, 1929 explained the situation as follows:

"Competition has forced the company to reduce the selling price on ACA ticking from approximately $22\frac{1}{2}$ cents to 19 cents a yard and workers employed or to be employed on this work, have agreed to accept a reduction of 10 per cent in rates and the company agrees *for* its part as follows: (1) To guarantee full-time work to workers affected for a period of three months, ended December 1, 1929, at which time a renewal of the agreement will be considered. (2) During the life of the agreement to run looms (528) in No. 3 upper weave room on 32-inch ACA, on the basis of 38 looms to the weaver. (3) If, during the life of this agreement, market conditions change, and the manufacturing margin, exclusive of cotton, returns to the basis existing prior to the price reduction, the company agrees to restore the reduction in rates affected by the agreement."

The notice was signed by A.O. Roberts, Superintendent and H.E. Rauch, Agent

At the workers' congress in October 1929, Henry E. Rauch appearing before the employe representatives as a personal representative of Treasurer Dumaine stated that everything possible was being done to maintain the existing organization. He explained that the company had accepted an order for chambray at a loss in the hope that savings in overhead might be made, but primarily to keep operatives employed on full time if possible. It was reported in the trade that this particular order was for 500,000 yards and the loss was $\frac{3}{10}$ of a cent per yard. It was chambrays on which Amoskeag during the 1922 strike had lost a very large customer in Baltimore, whose business then and later went to the company's chief southern competitor.

Developments in the wage situation at Amoskeag continued on the same basis in 1930. Wage reductions were put into effect in various mills to make it

possible to obtain more orders on certain goods. It was suggested that if the reduction was refused the particular mill would be closed. When in August the bag mill would not accept a 10 per cent wage cut, it was shut down. Shortly afterwards the drawing-in department in NO. 11 Mill took a reduction that averaged $12\frac{1}{2}$ per cent, to remain in effect for only 3 months or until the specified order had been completed, but it was prolonged by the acceptance of a repeat order at the same reduced wage rate. Early in 1931 a meeting of the Cotton section was informed that the employees of the bag mill agreed to work the whole year on the existing schedule. From then on the scheme of reservation rates was developed with special reference to the earlier stages of the manufacturing processes. Only part of the output of the spinning room would be used in producing a "reserved" order. The wage reduction would apply only to that part of the earnings obtained from the production entering into the order.

On March 20, 1931 the agent called the worsted adjustment committee to inform them that he had taken on order for 700,000 yards of fancy worsteds on a great gamble to run until September 15, 1931. He asked the workers in the Worsted Division to accept a 10 per cent reduction in wages to be applied any way the workers might choose among themselves, saying that he took the order at a loss to maintain production in the Worsted Division. The committee called the representatives of all departments involved and presented the plan to them. The vote was taken and in the secret ballot the result was 1653 against and only 241 in favor.

The depression brought with it relief problems and a method of sharing available work alternately. This didn't prove satisfactory, chiefly because it increased seconds. Finally a general wage reduction of 10 per cent was put into effect in the fall of 1931 to last for six months. The company promised to reduce rents the same percentage. It was suggested by the company, "if during any year while wage adjustments are in operation, the company shows a net profit, one third of such profit will be divided among employees in direct proportion to their earnings for that year." It was explained that such dividends would be impossible in 1931, because of the losses sustained in eight months up to the first

of September. Although the workers' convention voted against the wage reduction 2 to 1, the agent in an address to the convention stated that he didn't believe that the 6000 workers then employed by Amoskeag would want to see it go out of business. Upon recommendation to the workers' representatives a vote of somewhat less than two-thirds agreed to accept the reduction. The agent expressed his thanks and again gave his word that he would do all he could in return. He would make repairs in various departments, which would make working conditions better, including putting new clothing on cards and Morell rolls in the Worsted Department and purchase new Crompton & Knowles looms at a cost of \$30,000, a new humidifying system and new rails in the Rayon Department. These improvements would be classed as new work and give the Mechanical Department the benefit of more employment.

An additional 10 per cent cut was agreed to by workers in Print Cloth Department when it looked as if there would have to be a shutdown. There was continued curtailment in the last three months of 1931, particularly in the cotton section. The agent called attention to the fact that large wage readjustments were being made throughout the country, particularly in the South where most of the competition was coming from. He said that the management was doing everything possible to reduce costs and that he could see nothing which would help conditions and suggested that labor on all cotton materials be put on the same basis as print cloths, that is 10 and 10 per cent. He said that before the end of the existing agreement, April 1, 1932, he would ordinarily discuss the business situation with them, but that there was no need to wait until then because they already knew the conditions that were facing them and the company. He added that if it was going to be necessary to liquidate, he didn't care to contract business which would take several months to fill.

When Treasurer Dumaine on April 15, 1931 presented his report for the year 1930 to shareholders of the Operating Company, he referred to the fact that the next July would mark the 100th anniversary of the granting of a charter to the Amoskeag Manufacturing Company in 1831. He recalled how manufacturing had been tried at the Falls for twenty years but without success until five men of

vision, Ira Gray, Willard Sayles, Oliver Dean, Leonard Pitcher and Lyman Tiffany formed the company under the name that was still in use and started the business on the career that had produced a plant covering two miles of riverfront. "All honor to those early pioneers" he said "Their courage, skill and foresight deserve our respectful admiration."

In the early days of small beginnings a smart weaver earned 36 cents a day, Mr. Dumaine said. The payroll in the first year was \$36,000 and five years later taxes amounted to the modest sum of \$177, but in 1920 the company had a payroll of \$14,000,000 and in 1925 taxes amounted to \$993,000. During the 100 years the total paid out in wages exceeded \$300,000,000 and in city taxes, \$15,000,000.

"During the past ten years we have been sailing on a troubled sea, which has grown constantly more threatening and during the past five years has almost wrecked the textile industry in the United States. If the pioneers had been in charge of Amoskeag in that period they would have needed all the courage and skill that they brought to the solution of the problems of their own day. In these difficult times without the continued cooperation of the workers, Amoskeag might have been forced to close its doors. Our troubles are not over. There are more spindles in the United States than are required to supply the needs of the people and the law forbids any getting together to eliminate wasteful and destructive competition. Reasonable and orderly limitation of production, without raising prices of goods higher than is needed to pay a fair return to labor and capital producing them, could be arranged, if it were not for our rigid anti-trust laws. But so long as Congress refuses to modify them, the necessary limitation of production can be attained only by the ruin of the mills and of the communities of which they form a part. Neither the textile worker nor the textile mill owners are receiving justice from our elected representatives.

"When I look back and consider what difficulties the founders of the company 100 years ago must have met and overcome, and the trouble that came upon the mills after the Civil War, I find courage to go on, to try to surmount the present difficulties, I find faith to believe that the day will come, if not in my

time, then in that of my successor, when your treasurer will stand before you and tell you of success."

Amoskeag billings in the first three months of 1931 were one-third less than in the corresponding period of the preceding year, Treasurer Dumaine told stockholders. He said that the mills "will have to go some" in the next nine months to equal those of 1930. He admitted that the company had received a few orders in the past six or eight weeks, but for seasonal goods and there was no assurance they would be followed up. He did not take seriously reports of a large demand for textiles, saying they were largely for print cloths on which volume mounted up quickly. He referred to the advantage to Amoskeag in working some employees nights. He concluded by admitting that the outlook was very pessimistic.

When Treasurer Dumaine made his report for 1931 at the annual meeting of the shareholders of the Amoskeag Manufacturing Company in April, 1932, he told them that the management would have to employ fortitude and patience to meet change with change rather than with defiance of the laws of nature and of supply and demand. Due to ~~severe~~ competition textiles have suffered probably more than all other trades, but thanks to the cooperation of the workers and the loyal support of the community Amoskeag had been able thus far to survive. He said that since 1925 the company had been able to pay one annual dividend and that was only ~~a~~ single dollar a share. During the same period it ~~had~~ provided work and maintained an organization it had taken years to perfect, but it has been obliged to encroach upon its surplus to the extent of nearly seven million dollars.

Referring to the current business situation he said that since January 1, 1932 billings had been 37 per cent less than in the previous year to the same date. He explained that although cotton was 4 cents a pound less than a year ago, cloth was bringing 10 cents less. He then added that if it should prove to be demonstrable that textiles could not be produced in New England at a cost to compete in the open market with goods made elsewhere, there would be but one end. There would come a time in the affairs of all organizations when it was necessary to pause, survey and balance the budget. The management thought that time had come. Sufficient business was offering at the moment to provide work for 6000

people but at prices so low that it couldn't be undertaken at present wages, without loss to the company; at lower wages the business could be taken. The question of wages was of course for each individual worker to decide for himself. In view of the textile situation in New England, the mills must be in a position to run without further loss if they are to run at all. The question is a difficult one. Hasty judgement at such times may affect the welfare of future generations. The management will be reluctant to cease operations and lose the organization built up at great cost. They would prefer to continue to make cloth. But they do not think that the company's reserves should be constantly diminished in order to sell goods at a loss.

Amoskeag Company

When the new Amoskeag Manufacturing Company was organized in August, 1925, the original trust was continued under the title Amoskeag Company. The latter then became an investment company whose holdings included something over 90 per cent of both issues of stock in the operating organization. In 1927 the Amoskeag Manufacturing Company retired its preferred and holders received in exchange \$8,135,076 in cash, \$14,665,000 in new 20-year 6 per cent gold bonds and 13,191 additional shares of common. This recapitalization resulted in the Holding Company receiving \$13,692,700 in bonds, \$7,595,720 in cash and 12,316 of the Manufacturing Company's common, bringing the holdings of the latter up to 342,316. Then the Amoskeag Company gave holders of its own common stock an option to exchange this stock on the basis of \$52 a share in cash, \$40 in the operating organization's bonds and 1/20 of a share of the latter's common for each share held. When this exchange was completed the Amoskeag Company's common shares outstanding totalled 90,181 and there were 100,000 shares of \$4.50 preferred. The company still held \$3,606,900 of the Manufacturing Company's bonds. Although these facts have been previously given in connection with the story of the operating trust, their repetition here may help to a better understanding of the following income account of the Holding Company for the five years 1927-1931

Income Account

	<u>June 30, 1931</u>	<u>June 30, 1930</u>	<u>June 30, 1929</u>	<u>June 30, 1928</u> (13 months)	<u>May 31, 1927</u>
Int L. Bonds etc.	\$382,011	\$545,081	\$ 791,223	\$ 692,177	\$1,041,284
Div. Received	540,581	384,483	312,129	311,712	43,767
Total	<u>\$922,592</u>	<u>\$909,564</u>	<u>\$1,103,352</u>	<u>\$1,003,889</u>	<u>\$1,085,051</u>
Exp. and Int. paid	50,442	51,837	352,084	174,514	284,693
Net Inc. Profit	<u>\$872,150</u>	<u>\$857,727</u>	<u>\$ 771,268</u>	<u>\$ 829,375</u>	<u>\$ 800,358</u>
Profit sale Sec. & recoveries	-----	-----	-----	-----	-----
Net profit all sources	<u>\$872,150</u>	<u>\$857,727</u>	<u>\$ 771,268</u>	<u>\$1,285,384</u>	<u>\$ 800,358</u>
Income taxes	19,803	6,619	54,225	54,225	-----
Net Income	<u>\$852,803</u>	<u>\$851,108</u>	<u>\$ 717,043</u>	<u>\$1,231,160</u>	<u>\$ 800,358</u>
Dividends paid	653,043	653,043	696,645	1,057,828	450,000
Balance	<u>\$199,760</u>	<u>\$198,065</u>	<u>\$ 20,398</u>	<u>\$ 173,331</u>	<u>\$ 350,358</u>

It will be noted in the above income account that while the 1927 fiscal year ended May 31, as that of 1926 did, the statements of the subsequent years were made up as June 30, so that the 1928 report covered a period of 13 months.

Total income from interest and dividends in the five-year period amounted to \$5,024,448. This did not include any dividends on the preferred stock of the Manufacturing Company, which was retired in 1927, but some interest income was received on the 6 per cent bonds of the latter which had not been distributed to the Holding Company's common stock shareholders by the exchange option. The only dividend from the Operating Company's common was the \$1 a share paid on that issue in the 1930 calendar year. There was no income from this source after that. Of the \$3,452,776 the Amoskeag Company received from interest in this period, \$1,041,284 was paid in the fiscal year ended May 31, 1927. Total income of \$1,572,672 from dividends included \$540,581 in the June 30, 1931 report. There was a profit from sale of securities of \$456,009 during the 13 months ended June 30, 1928, which of course included the latter part of 1927 when the recapitalization of the Operating Company took place. The Amoskeag Company's net income after all charges, including income taxes for the five years, was \$4,452,472, of which \$3,510,560 was distributed in dividends, leaving a balance of \$941,912 to be added to the reserves for shareholders.

The \$450,000 distributed in dividends in the 1927 year was all on the preferred, including semi-annuals of \$2.25 on July 1, 1926 and on January 1, 1927. Payments on the same basis have been made in every year up to date. The so-called "Old Company" had paid a dividend of 75 cents on the common stock August 2, 1924. There was no distribution after that until January 3, 1928, when \$4 was paid. On January 2, 1929 a \$1.50 semi-annual basis was started on the common. The largest distribution was in the period ended June 30, 1928. The total of \$1,057,828 included not only the January 3 dividend on the common but three semi-annual payments on the preferred. The average distribution in the next three years was \$667,577. Payments were made on 92,500 shares of preferred in 1929 and on 85,000 shares in 1930 and 1931. The common distribution in 1929 was on 93,465 shares and on 90,181 in the other two years.

Prices on Amoskeag Company preferred averaged 75 in 1926, 86.3 in 1927 and 87.5 in 1928. In the next three years they ranged from 68 in 1929 down to 50 in 1931. The average price of the common in 1926 was 59. In 1927 when holders of this stock were given an opportunity to exchange their shares for \$52

cash and bonds and common stock of the Manufacturing Company, the quotations climbed from $48\frac{1}{2}$ to 116 before the expiration date of the option in December, 1927. The following year when the common that had not been exchanged received a \$4 dividend, quotations ranged from 75 up to 95. The next two years the average price was around 64, but in 1931 quotations went down from a high of 60 to as low as 12.

The comparative balance sheet of Amoskeag Company for the years 1927-1931 follows:

General Balance Sheet

Assets	June 30, 1931	June 30, 1930	June 30, 1929	June 30, 1928	June 30, 1927
U.S. Government				(13 months)	
4th-4 $\frac{1}{2}$ L. Loan	\$-----	\$ 4,817,500	\$10,315,000	\$14,763,600	\$20,966,400
Amkg. Mfg. Co. pre	-----	-----	-----	-----	498,717
" " " com	-----	-----	-----	-----	199,503
" " " 6% Bds	\$3,607,300	\$3,607,300	\$3,607,300	3,606,900	
Other Secur.	*11,925,595	8,672,062	4,175,164	9,187,411	702,150
Cash	1,284,979	235,798	34,147	121,999	528,512
Total	\$16,817,874	\$17,332,660	\$18,131,711	\$27,679,910	\$22,895,282
<u>Liabilities</u>					
Res. for					
Shareholders	\$16,285,729	\$15,648,437	\$15,847,940	\$17,124,062	\$
Notes Payable	-----	300,000	1,250,000	9,973,098	2,850,000
Adv. payments	-----	-----	-----	108,207	-----
Inv't revenue	298,560	364,587	538,722	-----	-----
Profit & Loss	-1,233,535	1,019,636	495,049	474,543	#20,045,282
	\$16,817,874	\$17,332,660	\$18,131,711	\$27,679,910	\$22,895,282

*Market value September 30, 1931-\$6,832,746

#Includes reserve for stockholders.

Total investments of the company on May 31, 1927 were valued at \$22,366,770 and in 1928 at \$27,557,911. securities held as of June 30, 1931 were carried at only \$15,532,895. It will be noted that on the latter date the company had no Liberty Bonds, compared with \$20,966,400 in 1927. Of course the recapitalization of the Manufacturing Company was another factor in the changes that took place in the Holding Company's investment account. On May 31, 1927 securities of the operating trust, including preferred and common, were carried at \$698,220. The bonds which replaced them were valued at \$3,606,900 and at 3,607,300 during the rest of the period. The 90,181 shares of common stock of Amoskeag manufacturing Company still held after the latter's recapitalization and the distribution to the investment company's common shareholders are not included among the assets in the above comparative balance sheet. It was realized that the

1930 dividends from this stock couldn't be reckoned on as a permanent annual income because of the depression and "senseless sales methods that prevailed in the textile manufacturing industry."

The item "other securities" shows some interesting changes, with \$702,150 in 1927, \$9,187,411 in 1928 and \$11,925,595 in 1931. These stocks and bonds consisted of a large number of investments and nearly all of them were listed on the New York Stock Exchange. They had been bought in order to diversify the company's investments and to anticipate the time when the U. S. bonds would fall due. The effect of the depression is evident from the fact that the 1931 list on September 30 of that year had a market value of only \$6,832,746. In the 1927 statement, when the book value of the company's assets had been \$22,175,185, the market value was \$22,895,281.

The cash account, starting the period with \$528,512 and then down substantially in the next three years, because of the \$52 per share cash distribution to common shareholders who exchanged their stock late in 1927 and the resumption of dividends on the Amoskeag Company common, had been increased to \$1,284,979 by 1931.

Amoskeag Company's profit and loss account plus reserves for shareholders decreased in this five-year period from \$20,045,282 to \$16,419,314 or \$3,625,868 in all. From 1928 on, these items were listed separately, and reserves in the four years showed a decline of \$1,838,283 and profit and loss a gain of \$758,992 or a net loss of \$1,079,291 after 1927. It will be remembered that in the 13 months ended June 30, 1928 the company paid out \$1,057,828 in cash dividends as well as the \$52 per share to common share holders who took advantage of the exchange option in December, 1927.

One of the outside textile investments of Amoskeag Company near the end of this period was in the preferred stock of the Suncook Mills, an issue of \$550,000, which was entirely taken over by the investment trust. Late in 1929 it was reported that there had been no dividends on this issue for four years and that arrears amounted to \$24 a share. The Suncook owed a considerable amount but was making money on current operations. It was at that time regarded as the largest

rayon weavers in the country and was "getting results on cotton mill equipment that were unapproached by other mills."

After control of the Suncook had been acquired through their purchase of its preferred, and Linzee Weld put in as treasurer, Mr. Dumaine and the Amoskeag Company furnished the financing and credit which made it possible for the Suncook under Mr. Weld's management to be restyled and refabricated and to become a great moneymaker. When the Suncook was finally sold to Royal Little of Textron, the Amoskeag Company and Suncook stockholders who had hung on with Mr. Dumaine and Mr. Weld financing and management came out of it with very large profits.

There had been several changes in the board of trustees of the Amoskeag ~~Company~~ since 1926. George Peabody Gardner was made president in 1931, following the death of George Wigglesworth, a trustee for many years, who had held that office since 1916. Mr. Dumaine continued as treasurer. Frank J. Sulloway had succeeded his father Alvah H. Sulloway and Robert G. Stone had taken the place previously held by his father, Galen L. Stone. Besides Mr Gardner, other continuing trustees were Charles Francis Adams, William Dexter, Frank P. Carpenter, Philip Dexter, William Amory, F.R. Sears, Jr., and Charles E. Cotting. With the death in 1929 of Agent Herman F. Straw, who had been clerk or secretary since 1885, Arthur O. Roberts, general superintendent of Amoskeag, was elected Secretary. In 1931 Mr. Roberts was succeeded by Henry E. Rauch, secretary and Agent of the Manufacturing Company.

Mr. Dumaine's other business interests at some time during the 1927-1931 period included trustee of the Baystate Corporation (Old Colony Trust Associates), vice-president of Boston Railroad Holding Company, and director of E.A. Canalizo & Co., Colombian Steamship Co. and subsidiaries, Commonwealth Corporation, Conveyancers Title & Insurance Co., First National Bank of Boston, Kidder Participations Inc, and Kidder Peabody Acceptance Corp., New York, New Haven & Hartford Railroad, Old Colony Trust Company, Pennsylvania Railroad, Pilgrim Export & Import Co., ^{and} Transamerica Corporation. He was president of the Commonwealth Corporation and member of the executive committee of the New York, New Haven & Hartford Railroad.

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Amoskeag Company (1937-1948)

It is more than 118 years since the Amoskeag Manufacturing Company was founded in Manchester, N. H. For ninety years of that long period under the able direction of its directors or trustees, treasurers and manufacturing agents, including three generations of the Straw family, its mills were expanded into the largest textile organization in the United States, perhaps in the whole world, with products as highly regarded as any in the market. The company was also outstanding because of its continuously profitable operations and uniformly substantial distributions to shareholders. After the First World War conditions became increasingly difficult for the textile industry in general and particularly for New England mills which like Amoskeag had been originally set up and equipped for the manufacture of yarn-dyed goods. Losses were then more frequent and Amoskeag's large reserves accumulated from profitable manufacturing operations and investments in many previous years were steadily depleted in spite of continued efforts of the management to correct the situation.

In 1925 it was decided that it would be for the best interests of all the shareholders to protect a good part of the remaining reserves from further uncertainties of manufacturing and transfer them to a holding company, which would continue the original trust of 1911, and to form a new trust with the title Amoskeag Manufacturing Company to take over the manufacturing properties. As has been previously explained, notwithstanding a recapitalization in 1927, conditions of the manufacturing company went from bad to worse and it had to be liquidated in 1936 and the mill properties in Manchester were sold to the locally organized and financed Amoskeag Industries, Inc. These facts are repeated at this time to emphasize the point that during the past thirteen years (1937-1949), which brings this history up-to-date, only the Amoskeag Company, the investment company, is involved.

Attention might also be called to the fact that in August, 1950 it will be twenty-five years since the Amoskeag Company was organized and its very successful investment activities up to the end of 1948 had already resulted in a total

net income of at least sixteen million dollars, which has made possible the continued uninterrupted payment of \$4.50 annually to preferred shareholders and the distribution since 1928 of close to \$3 a year on the common stock, including that amount completely since 1941, and the maintenance of reserves that represent a very substantial equity for all shareholders.

In 1950, also, Frederic C. Dumaine, now chairman of the board, will complete 70 years of association with the Amoskeag, including 45 years as an executive, during most of the period as treasurer of the Amoskeag Manufacturing Company or the Amoskeag Company, or both. Although now 83 years of age, Mr. Dumaine is still the financial wizard and the able, keen and alert executive. He actively attends to his present duties as chairman of the Amoskeag board and other business interests, including the New Haven, of course, of which he is now also chairman, when he comes daily from his home in Farmer's Row, Groton, Mass., to the office of the company at 199 Washington Street in Boston, as he had previously when president and treasurer at the same location and immediately before that at 10 State Street. The Dumaine's, the private trust which also includes F.C. Dumaine, Jr., treasurer of the Amoskeag Company for the past ten years, holds close to twenty per cent of the outstanding stock of the company, 23,450 common and 7,144 preferred shares. Three other trustees have been on the board of the Amoskeag Company with Mr. Dumaine, Sr., in the twenty-five years since its organization. They are Charles Francis Adams, Charles E. Cotting and William Amory.

Holdings of common and preferred shares of Amoskeag Company accredited to trustees as of December 31, 1946 were listed in the notice of the annual meeting in 1947 as follows: Charles Francis Adams, 600 common; William Amory, 1000 common; Charles E. Cotting, 458 common; Frederic C. Dumaine, 755 common and 346 preferred; F. C. Dumaine, Jr., 1,540 common and 298 preferred; George P. Gardner, 2,608 common and 500 preferred; Francis Lee Higginson, 100 common and 100 preferred; F. R. Sears (died early in 1947), 4,365 common and 440 preferred; William B. Snow, Jr., 850 common; Robert G. Stone, 1,600 common and F. J. Sulloway, 313 common and 2 preferred.

The income accounts and balance sheets of the Amoskeag Company for the years 1937 to 1948, inclusive, are presented in three groups. The first one ends with 1938, as that was the last year when the company's reports included any substantial reference to the Amoskeag Manufacturing Company, although the final liquidating dividend on the latter's common was not received until 1941. Figures for June 30, 1936 are given for purposes of comparison, together with two sets of statistics for 1937, because in that year the end of the fiscal period was changed from June 30 to December 31 and the date of the annual meeting from October to February.

At the meeting in October, 1937, when the report for the twelve months ended in June was presented, some of the shareholders, although agreeable to the change in the meeting date, objected unsuccessfully to a proposed amendment that allowed the trustees to fix the place of the annual meeting. There was also some criticism of the management and the trustees who were absent and disapproval of the reelection of the four trustees who had recommended liquidation of the manufacturing company. The fact that Treasurer Dumaine was not present to make his report in person also occasioned some protest. Actually the attendance was low compared with the meeting in the following February. Only 83.4 per cent of the company's shares were represented, against 92.5 per cent in 1938 and an average of about 89 per cent at several following February meetings.

A comparison of the income accounts shows that the company's receipts from dividends and interest for the June 30 years were \$641,733 in 1936 and \$928,470 in 1937 and for the periods ended December 31 in the latter year, \$910,011 as compared with \$585,128 in 1938. It should be kept in mind that it was in 1937 that the investment company received \$3,597,300 par and accrued interest for the manufacturing company's 6 per cent bonds that had been issued ten years before and a liquidating dividend of \$2 on the latter's common. The amounts received for the principal of the bonds and the \$166,265 of final interest, as well as \$270,543 on the 90,181 shares of common were charged directly to surplus. The same procedure was followed in connection with the \$90,181 received as a \$1 liquidation dividend on holdings of the common stock of the manufacturing company in 1938.

and on the 70.4 cents final payment in 1941.

The net income figures are after expenses and taxes, but do not include profits or losses from the sale of securities. The largest amount paid in taxes was \$52,204 in the final period ended December 31, 1937. They were as low as \$12,719 in 1938. Expenses were exceptionally high in the transition year ended June 30, 1937, amounting to \$163,080. In the June 30, 1937 period the sale of securities resulted in a profit of \$211,107 but there was a net loss of \$565,569 in 1938. It will be noted that in the years ended June 30 net incomes were \$506,802 in 1936 and \$747,829 in 1937. For the twelve months to December 31, 1937 the figures were \$780,743, but in the following calendar year net earnings were down to \$497,863.

The Amoskeag's per share earnings in these three years are interesting. On the preferred they were \$6.33 in 1936, as high as \$10.71 in 1937, and \$6.83 in 1938. For the common in the corresponding periods the figures were \$1.63, \$5.03 and \$1.89. These per share earnings were affected somewhat by changes in the amount of stock outstanding. There were 80,000 shares of preferred on June 30, 1936. These had been reduced to 72,896 in 1937 and to 72,846 in 1938. Changes in the common from 90,181 outstanding at the end of the 1936 fiscal year reduced them to 90,000 in 1937 and to 89,911 in 1938, the amount at which they have since remained, although the outstanding preferred has become systematically smaller each year, down to 65,457 shares on December 31, 1948. The annual changes will be noted later in a table, which also gives the amounts required to cancel them. It will be remembered that the June 30, 1936 balance sheet had shown that the Amoskeag valued at \$376,262 its own preferred shares held in the treasury at that time. The report of the following year showed that that amount of money had been taken from surplus to cancel them. The \$6,973 required to buy and write off the 181 shares of common in 1937 and the \$2,977 in 1938 for 50 shares of preferred and \$1,827 for 89 shares of common were also charged to surplus.

The dividend distribution averaged about \$584,000 in the two June 30 years and \$575,000 in the calendar years, and included \$695,025 paid in the twelve months ended June 30, 1937 and \$462,673 in the less profitable 1938 calendar year.

The cumulative preferred received the⁵ regular \$4.50, but dividends on the common which had been \$3.50 in 1937 were reduced to \$2.00 in 1938.

Comparative Income Accounts (1936-1938)

	<u>1938</u> (Dec.31)	<u>1937</u> (Dec.31)	<u>1937</u> (June30)	<u>1936</u> (June30)
Dividends Rec'd	\$511,285	\$674,533	\$596,214	\$411,501
Interest Rec'd	73,843	235,477	332,256	230,232
Total Income	<u>\$585,128</u>	<u>\$910,011</u>	<u>\$928,470</u>	<u>\$641,733</u>
Interest & Expenses	72,724	72,383	163,080	96,964
Taxes	14,542	56,883	17,560	37,966
Net Income	<u>\$497,863</u>	<u>\$780,743</u>	<u>\$747,829</u>	<u>\$506,802</u>
Dividends	462,673	688,032	695,025	472,726
Surplus for Year	<u>\$ 35,190</u>	<u>\$ 92,711</u>	<u>\$ 52,804</u>	<u>\$ 34,076</u>
Per Share Preferred	\$6.83	\$10.71	\$10.26	\$6.33
" " Common	1.89	5.03	4.65	1.63
No. Shares Preferred	72,846	72,896	72,896	80,000
" " Common	89,911	90,000	90,181	90,181

Comparative Balance Sheets (1936-1938)

	<u>1938</u> (Dec.31)	<u>1937</u> (Dec.31)	<u>1937</u> (June 30)	<u>1936</u> (June 30)
<u>Assets</u>				
Cash	\$ 183,479	\$ 424,682	\$ 681,453	\$1,001,861
Notes & Loans Rec.	1,069,780	1,293,975	983,463	1,434,638
	<u>\$ 1,253,259</u>	<u>\$ 1,718,657</u>	<u>\$ 1,664,916</u>	<u>\$ 2,436,499</u>
Amoskeag 6's	-----	-----	-----	3,597,300
Other Stocks & Bonds	14,472,448	14,936,930	14,895,662	14,103,503
Preferred in Treas.	-----	-----	-----	376,262
Total	<u>\$15,725,706</u>	<u>\$16,655,587</u>	<u>\$16,560,578</u>	<u>\$20,513,564</u>
<u>Liabilities</u>				
Reserves for				
Stockholders &				
Profit & loss	\$14,650,314	\$15,095,350	\$15,551,798	\$15,782,992
Bank loans	600,000	1,000,000	1,000,000	4,715,000
Federal Tax Reserve	12,719	52,204	8,780	15,572
Dividends Payable	462,673	508,032	-----	-----
Total	<u>\$15,725,706</u>	<u>\$16,655,587</u>	<u>\$16,560,578</u>	<u>\$20,513,564</u>

The amounts carried to surplus after dividends varied from \$92,711 in the 1937 calendar year to an average of between 34 and 35 thousand in 1936 and 1938. The reserves for shareholders and profit and loss amounted to \$15,782,992 on June 30, 1936, were down to \$15,095,350 at the end of 1937 and then declined to \$14,650,314 on December 31, 1938, or a net loss of about \$1,133,000 after payment of dividends that averaged about \$580,000 annually and the various charges to

to surplus. Amoskeag's reserves for ^{6.}shareholders remained at a little over 14½ million until 1945, when they started to climb again. Of course the equity per share constantly increased as preferred stock continued to be cancelled. It equalled nearly \$83 a share on the common in 1938, when market quotations on the stock ranged from 11 to 21 and a dividend of \$2 a share was paid.

Some of the items involved in the changes in the amount of the reserves have already been mentioned, including receipts from the liquidation of Amoskeag Manufacturing Company bonds and common stock and cancellation of the investment other securities, company's own shares, as well as profits or losses from the sale of/which included the more than half a million loss in 1938. It might be added that in 1937 the \$389,387 required to reduce to \$1 per share the amounts at which the company carried certain securities not regularly quoted was also charged to surplus in that year. Other items which affected surplus one way or another included slight amounts credited because of excess provision for federal taxes or dividend payments. It will be noted that beginning with 1937 Amoskeag's balance sheets included definite reserves for taxes and dividends. There were also from time to time charges to surplus of up to two or three thousand for losses from the Moore's Falls Corporation investment.

Current assets of Amoskeag Company as shown in the 1936 balance sheet include manufacturing company's bonds at par \$3,597,300 (market value \$1,618,785). The 90,181 shares of the manufacturing company's common was not included among current assets, but it was stated that they were valued nominally at \$1 per share. There was no further reference to the bonds after 1936. This fact and the cancellation of the preferred resulted in about a \$4,000,000 reduction in total assets from \$20,513,564 to \$16,560,578 on June 30, 1937. In the liquidation of the bonds the Amoskeag Company received \$3,763,565, as compared with the market value of \$1,618,785 as of June 30, 1936. Payments amounting to \$3 a share from partial liquidation of the 90,181 of common in 1937 and 1938 brought the total received for holdings of the manufacturing bonds and stock up to \$4,124,289. This was increased to \$4,187,776 when a final dividend of 70.4 cents was paid in 1941. These were the securities received by the Amoskeag Company in 1927, when the manufacturing company was recapitalized. At that time the

latter's preferred was retired and the investment company received part of the new bond issue in exchange for its holdings of the former, as well as common shares in addition to those it had owned since 1925, when the holding company was set ^{up} separately from the operating organization. Six per cent interest had been received on these bonds until 1935. Meanwhile the principal was being systematically reduced until it reached \$3,597,300, the amount given in the 1936 statement.

Other stocks and bonds owned by the Amoskeag Company in 1936 had a book value of \$14,103,503. The amounts of dividends and interest received from these investments have been previously mentioned. At the end of 1937 securities held were valued in the statement at \$14,936,930 but there was a reduction to \$14,472,448 on December 31, 1938. Up to June 30, 1937 these stocks and bonds had a total market value of around 12 million. They were down to \$9,584,221 at the end of 1937, but up to \$10,816,004 the following year.

Cash and receivables in 1936 amounted to \$2,436,499 and included \$1,434,638 for notes and ~~loans~~ receivable. They were \$1,718,657 and 1,253,259 at the end of 1937 and 1938. Meanwhile notes payable were reduced from \$4,715,000 in 1936 to \$1,000,000 in 1937 and \$600,000 at the end of 1938. These were almost entirely bank loans negotiated with securities as collateral. It is interesting that in this period Amoskeag's million dollars of cash in 1936 had been cut down to \$183,479 by the end of 1938. Reference to previous paragraphs will indicate the principal reasons for the company's heavy cash position in 1936 and 1937. In the former year the difference between cash and accounts receivable and bank loans indicated a debt on the company's securities of over two million and a quarter. Two years later these current assets were \$653,000 more than the notes payable. These amounts are exclusive of tax and dividend reserves.

Amoskeag Company's progress in the five years 1939-1943, which included the early years of World War II and were affected by the consequent inflationary influence on business and securities, is indicated in the income accounts and balance sheets for that period. It will be noted that the peak in income was reached in 1942 and 1943. Net earnings averaged about \$730,000 in these years.

In 1941 income was less than a thousand away from \$700,000. The 671,380 reported for 1940 compared with \$603,923 in 1939. The latter was over \$130,000 less than the \$736,043 high of 1942. It will be remembered that the company had a net income of about \$781,000 in 1937 and only \$497,863 in 1938.

In this five-year period receipts from dividends and interest averaged \$785,000 annually. They were \$686,858 in 1939 and \$859,000 and \$843,000 in 1942 and 1943. The receipts in the other two years were only 15 to 20 thousand below the average for the period. The only reference to the liquidated manufacturing company was in 1941 when a final dividend amounting to \$63,487 was received. That happened to be the only year when a profit from the sale of securities was shown, \$34,369. There had been a loss of about \$214,000 in 1939 and another of \$80,250 in 1940. These gains or losses were not included in the net income, but charged directly to surplus.

The net income of this period averaged \$9.64 per share on the preferred and \$4.07 on the common. The lows were \$8.29 and \$3.07 in 1939 and the highs \$10.44 and \$4.66 in 1942. The number of shares of preferred was reduced from 72,846 to 70,087, or a total of 2,759. They were retired as follows: 1,000 in 1940; 469 in 1941; 844 in 1942, and 466 in 1943, at a total cost of \$199,669, including \$71,323 for 1,000 shares in 1940 and no cancellations in 1939. Shareholders were informed by Treasurer Dumaine that the company would be glad to be advised when they desired to dispose of their preferred. The number of common shares remained unchanged at 89,911.

Dividend payments to Amoskeag stockholders averaged about \$582,000 annually in 1939-1943. The distribution on the preferred continued at \$4.50 and the common received an average of \$2.60, including \$1.50 and \$2.50 in 1939 and 1940 and \$3 for the other three years. Average quotations on the preferred ranged from 63 in 1939 to 73 and 74 in 1941 and 1943. The low average price on the common was 19 in 1939, it ranged from 20 to 21 in the next three years and reached 29 to 30 in 1943. There had been a rumor in 1939 that the Amoskeag might liquidate, but it was officially stated that no such action was contemplated. Treasurer F.C. Dumaine who at that time had already been associated with

Amoskeag name for 60 years, and the other trustees, couldn't of course see any valid reason for the liquidation of this profitable investment company, and the large earnings of the following years have certainly justified its continuance.

Comparative Income Accounts (1939-1943)

	<u>1943</u> (Dec.31)	<u>1942</u> (Dec.31)	<u>1941</u> (Dec.31)	<u>1940</u> (Dec.31)	<u>1939</u> (Dec.31)
Dividends Received	\$780,834	\$778,279	\$727,065	\$677,597	\$629,177
Interest Received	62,398	80,750	43,453	87,947	57,681
<u>Total Income</u>	<u>\$843,232</u>	<u>\$859,029</u>	<u>\$770,518</u>	<u>\$765,544</u>	<u>\$686,858</u>
Expenses	60,589	57,414	56,911	56,920	52,461
Interest	9,606	11,608	10,777	12,548	8,633
Taxes	49,736	53,962	3,627	24,696	21,841
<u>Net Income</u>	<u>\$723,301</u>	<u>\$736,045</u>	<u>\$699,203</u>	<u>\$671,380</u>	<u>\$603,923</u>
Dividends	585,125	587,132	590,930	593,058	552,585
<u>Surplus for Year</u>	<u>\$138,176</u>	<u>\$148,911</u>	<u>\$108,272</u>	<u>\$ 78,322</u>	<u>\$ 51,338</u>
Per Share Preferred	\$10.32	\$10.44	\$9.80	\$9.34	\$8.29
" " Common	4.54	4.66	4.20	3.87	3.07
No. Shares Preferred	70,087	70,533	71,377	71,846	72,846
" " Common	89,911	89,911	89,911	89,911	89,911

Comparative Balance Sheets (1939-1943)

	<u>1943</u> (Dec.31)	<u>1942</u> (Dec.31)	<u>1941</u> (Dec.31)	<u>1940</u> (Dec.31)	<u>1939</u> (Dec.31)
<u>Assets</u>					
Cash	\$ 505,230	\$ 479,006	\$ 409,344	\$ 905,132	\$ 470,548
Notes & Loans Rec.	243,528	721,405	714,189	846,358	752,543
	\$ 748,758	\$ 1,200,411	\$ 1,123,533	\$ 1,751,491	1,223,091
Stocks & Bonds	15,189,611	15,248,440	15,250,652	14,675,022	14,534,894
<u>Total</u>	<u>\$15,938,369</u>	<u>\$16,448,851</u>	<u>\$16,374,185</u>	<u>\$16,426,512</u>	<u>\$15,757,985</u>
<u>Liabilities</u>					
Res. for Stockholders					
& p'f't & Loss	\$14,707,045	\$14,610,377	\$14,583,255	\$14,411,533	\$14,486,051
Banks Loans	600,000	1,200,000	1,200,000	1,400,000	700,000
Fed. Tax Res.	46,200	51,343	-----	21,921	19,349
Dividends Pay.	585,125	587,132	590,930	593,058	552,585
<u>Total</u>	<u>\$15,938,369</u>	<u>\$16,448,851</u>	<u>\$16,374,185</u>	<u>\$16,426,512</u>	<u>\$15,757,985</u>

The average of the balances carried to surplus was \$105,000 annually. They ranged from \$51,338 in 1939 to \$148,911 and \$138,176 in 1942 and 1943, respectively. Among the small items included in the changes in surplus, in addition to the year's balance, the cost of the cancellation of preferred and the net

loss or gain for the sale of securities, were the amounts by which the provisions for dividends exceeded the actual payments, due to the purchase and cancellation of preferred shares during the year. For example, additions to surplus for this purpose included \$1,055, \$1,602, and \$146 in 1941-43. There was an excess of \$817 in the reserve for the 1940 income tax. Charges to profit and loss in the Moore's Falls account averaged about \$1,670 in the last three years of the period. These are of course relatively unimportant amounts and are given merely to illustrate some of the additional items involved in the company's surplus changes.

The reserves for shareholders averaged \$14,560,000 in the five years 1939-1943. They were as low as \$14,411,533 in 1940 and as high as \$14,610,377 and \$14,707,045 in the last two years of the period. The equity for common shareholders had reached \$86.00 per share in 1943, when quotations ranged from 23 to 36 and dividends of \$3.00 a share were being paid. The \$4.50 preferred which had an equity of \$100 a share was quoted in that year at 68 to 77. The latter was the high for the five-year period. The low of 60 was quoted in 1939, when the common was down to sixteen.

In the balance sheet cash and receivables averaged about \$1,210,000. They were highest at \$1,751,490 in 1940 and lowest in 1943 at \$748,758. Amoskeag had \$905,000 in cash in 1940. This item averaged \$466,000 in the other four years, including \$505,000 in 1943. At the beginning of the period company's bank loans amounted to \$700,000. They were doubled in 1940, in the next two years were down \$200,000 to \$1,200,000 and then halved to \$600,000 in 1943. *The net difference between cash and receivables and notes payable in 1939 was \$523,091.* This represented a surplus. There was also one in 1940, amounting to \$351,490, but in the next year there was a deficit of \$76,467. In 1942 cash and receivables were \$411 more than bank loans and by the end of the next year (1943) that surplus had been increased to \$148,758. Reserves for taxes and dividends are not included in these figures. The former averaged around \$20,000 in 1939 and 1940. There was no reserve for taxes indicated in the 1941 balance sheet, but in the next two years an average of nearly \$49,000 annually was set aside for this purpose, including \$53,962 in 1942. Dividend distributions in this

period have already been referred^{to 11:}, as well as the fact that from year to year there were slight adjustments to reconcile the amounts reserved for them with the actual payments.

The latest available annual figures on the Amoskeag Company are those for the year ended December 31, 1948. Statistics for 1944-1948 will bring the financial story of the company up-to-date. The high incomes reported by Amoskeag in 1942 and 1943 were continued into the next five years. They reached the high of \$975,584 in 1948 and averaged more than \$833,000 for the period, compared with \$687,000 in the preceding five years. The lowest income was \$755,218 in 1945, but it was only ten and seventeen thousand less than '44 and '46. The 1947 figures at \$898,000 were not much below the 1948 net.

The net incomes of this period averaged \$12.32 a share on the preferred and \$5.87 on the common. The lows were \$10.96 and \$4.95 in 1945 and the highs, \$14.90 and \$7.57 in 1948. The number of preferred shares were reduced in this period from 70,087 to 65,457, or a total of 4,630; 2,110 in 1947 and 1,111 in 1948, at a total cost of \$437,018 including \$210,936 in 1947. The number of common shares remained unchanged at 89,911.

The dividends paid in 1944-1948 averaged \$575,000. Although the distribution per share each year was the same on the preferred and common dividends averaged \$3 instead of \$2.80 in 1939-1943, the total mentioned was \$7,000 less than in the preceding five years, obviously because of the gradual reduction in the number of preferred shares through cancellation.

Comparative Income Accounts (1944-1948)

	<u>1948</u> (Dec. 31)	<u>1947</u> (Dec. 31)	<u>1946</u> (Dec. 31)	<u>1945</u> (Dec. 31)	<u>1944</u> (Dec. 31)
Dividends Rec.	\$1,082,238	\$1,016,132	\$886,825	\$848,406	\$842,011
Interest "	98,061	57,786	46,458	49,588	49,995
Total Income	\$1,180,299	\$1,068,918	\$933,283	\$897,994	\$892,005
Expenses	114,090	114,170	110,010	92,053	72,640
Interest	11,073	6,377	5,069	5,436	5,509
Fed. & State Tax	79,552	50,608	44,450	45,287	48,451
Net Income	\$ 975,584	\$ 897,764	\$772,754	\$755,218	\$765,406
Dividends	564,290	569,316	578,784	579,797	592,609
Surplus	\$ 411,294	\$ 328,448	\$193,970	\$175,421	\$182,797

The following table shows the results of the investigation of the company's financial records for the years 1944 through 1948. The figures are presented in thousands of dollars. The company's income for the years 1944 through 1948 was \$1,114,400, \$1,114,400, \$1,114,400, \$1,114,400, and \$1,114,400, respectively. The company's expenses for the years 1944 through 1948 were \$1,114,400, \$1,114,400, \$1,114,400, \$1,114,400, and \$1,114,400, respectively. The company's net income for the years 1944 through 1948 was \$0, \$0, \$0, \$0, and \$0, respectively. The company's assets for the years 1944 through 1948 were \$1,114,400, \$1,114,400, \$1,114,400, \$1,114,400, and \$1,114,400, respectively. The company's liabilities for the years 1944 through 1948 were \$1,114,400, \$1,114,400, \$1,114,400, \$1,114,400, and \$1,114,400, respectively. The company's equity for the years 1944 through 1948 was \$1,114,400, \$1,114,400, \$1,114,400, \$1,114,400, and \$1,114,400, respectively.

Consolidated Income Statement (1944-1948)

1944	1945	1946	1947	1948	
1,114,400	1,114,400	1,114,400	1,114,400	1,114,400	Total Income
1,114,400	1,114,400	1,114,400	1,114,400	1,114,400	Total Expenses
0	0	0	0	0	Net Income
1,114,400	1,114,400	1,114,400	1,114,400	1,114,400	Total Assets
1,114,400	1,114,400	1,114,400	1,114,400	1,114,400	Total Liabilities
1,114,400	1,114,400	1,114,400	1,114,400	1,114,400	Total Equity

	<u>1948</u> (Dec.31)	<u>1947</u> (Dec.31)	<u>1946</u> (Dec.31)	<u>1945</u> (Dec.31)	<u>1944</u> (Dec.31)
Pref. per Sh.	\$14.90	\$13.49	\$11.25	\$10.96	\$11.01
Com. " "	7.57	6.65	5.16	4.95	5.03
No. Pref. Sh.	65,457	66,568	68,678	68,903	69,528
" Com. "	89,911	89,911	89,911	89,911	89,911

Comparative Balance Sheets (1944-1948)

<u>Assets</u>					
Cash	\$ 768,692	\$ 814,949	\$ 1,047,831	\$ 1,186,451	\$ 658,322
Receivables	948,112	749,480	167,546	225,654	238,185
	<u>1,716,804</u>	<u>1,564,429</u>	<u>1,215,377</u>	<u>1,412,105</u>	<u>896,507</u>
Investments	15,276,322	15,476,204	14,944,537	14,711,718	14,802,405
Total	<u>\$16,993,126</u>	<u>\$17,040,633</u>	<u>\$16,159,914</u>	<u>\$16,123,823</u>	<u>\$15,698,912</u>
<u>Liabilities</u>					
Equity for Shareholders	\$15,799,836	\$15,371,317	\$15,037,130	\$15,001,027	\$14,570,403
Bank Loans	550,000	1,050,000	500,000	500,000	500,000
Fed. Inc. Tax Reserves	79,000	50,000	44,000	43,000	45,900
Div. Payable	564,290	569,316	578,784	579,796	582,609
Total	<u>\$16,993,126</u>	<u>\$17,040,633</u>	<u>\$16,159,914</u>	<u>\$16,123,823</u>	<u>\$15,698,912</u>

The averages of the balances carried to surplus during this period was \$258,000, compared with \$105,000 in 1939-1943. In the first three years the amounts added to surplus after dividends averaged \$184,000 and included \$193,970 in 1946. The peak was reached in 1948 when the surplus balance was \$411,294, or \$83,000 more than the \$328,000 reported for 1947. These figures represent additions to surplus from the current income. It will be remembered that results of sales from securities were not included in the income account. The gains from this source were \$310,368 in 1945 and \$218,508 in 1947, or a total of \$528,876. Losses in the other three years were \$274,044 in 1944; \$133,647 in 1946, and \$106,297 in 1948, or a total of \$514,988. Apparently the total result for the five years was a nominal net profit of not quite \$14,000. An interesting item in the 1948 surplus account was the receipt of \$219,804 as liquidating dividends on 16,908 shares of Suncook Mills common stock, or \$13 a share. Excess estimates of the amounts required for dividend payments ranged from lows of \$259 and \$443 in 1944 and 1946 to highs of \$2,970 in 1945 and \$1,131 in 1948.

As much as \$3,370 more than the required income taxes was reserved for that purpose in 1944, but in 1946 only \$33 was needed to make the bookkeeping adjustment. The Moore's Falls item in the surplus account ranged from \$1,903 in 1944 to \$1,774 in 1946, and averaged \$1,864 in four years. There was no change to profit and loss on account of this corporation, in which Amoskeag owned 3,000 shares that were carried in the portfolio at \$1 a share because of uncertain market value.

Reserves for shareholders averaged \$15,156,000, compared with \$14,560,000 in the preceding five years. Starting at \$14,570,403 at the end of 1944 they were increased to \$15,799,836 by the end of 1948, a gain of practically \$1,240,000. On the basis of the 1948 figures there was an equity back of the common shares of \$103 per share, compared with \$86 in 1943. Quotations on common advanced in this period from a high of 36 in 1943 to $96\frac{1}{2}$ in the last year when the low was $55\frac{1}{8}$. The average price in 1948 was 75 and with dividends at \$3 a share this meant a yield of 4 per cent. The \$4.50 preferred with the usual equity of \$100 a share was quoted from $84\frac{1}{2}$ to $94\frac{1}{2}$, or an average of about 89, making the average yield of about 5 per cent. In 1949 the common was as low as 25 in June. It had been as high as 69 in January. The prices were up again in July and quotations at the end of that month ranged from 50 to 53. The \$3 dividend on the latter basis gives the shares a yield of close to 6 per cent. Quotations on the preferred had been as low as 75 in 1944. The high was 105 in 1946. The 1947 range was 98 to $100\frac{1}{2}$. These high prices reflected the investment appreciation of the asset values of both issues of Amoskeag stock. There was a downward trend in the quotations on the preferred in 1949 from 86 in January to 50 in May, but in July they were up to 87, very close to the 1948 average of 89 and still yielding about 5 per cent.

Cash and receivables in 1944-1948 averaged \$1,361,000, compared with \$1,210,000 in the preceding five years. They were highest at \$1,716,804 in 1948 and lowest at \$896,507 in 1944. Amoskeag's cash was over a million in 1945 and 1946, as low as \$658,322 in 1944 and \$768,692 in 1948, which was about \$50,000 less than in 1947.

...and by \$2,300 more than the regulated income tax was levied for that
...in 1944, but in 1945 only \$1.50 was needed to make the bookkeeping al-
...The House's bill in the surplus account raised from \$1,900
...1944 to \$1,774 in 1945, and averaged \$1,838 in four years. There was no
...to profit and loss on account of sale corporation, in which surplus owned
...00 shares that were carried in the portfolio at \$1 a share because of under-
...in market value.
...Reserves for shareholders averaged \$10,138,000, compared with \$10,000,000
...the preceding five years. Starting at \$14,870,400 at the end of 1944 they
...the increased to \$18,793,800 by the end of 1945, a gain of practically \$1,500,
...On the basis of the 1945 figures there was an equity back of the common
...from \$100 per share, compared with \$85 in 1944. Quotations on common
...remained in this period from a high of 36 1/2 in 1944 to 36 1/2 in the last year when
...a low was 36 1/8. The average price in 1945 was 36 and with dividends at 25
...share this means a yield of 4 per cent. The \$4.50 preferred with the usual
...dividend of \$100 a share was quoted from 36 1/2 to 37, or an average of about 36 1/2,
...and the average yield of about 4 per cent. In 1944 the common was at 36
...in June. It had been as high as 36 in January. The prices were up again
...July and quotations at the end of that month were from 36 to 37. The \$2
...dividend on the 1944 stock gives the common a yield of close to 4 per cent.
...Quotations on the preferred had been as low as 36 in 1944. The high was 36
...1945. The 1945 range was 36 to 37. These high prices reflected the in-
...current appreciation of the asset value of both issues of preferred stock.
...There was a downward trend in the quotations on the preferred in 1945 from 36
...January to 36 in May, but in July they were up to 37, very close to the 1944
...range of 36 and still yielding about 4 per cent.
...Total and reserves in 1944-1945 averaged \$1,831,000, compared with \$1,810,
...in the preceding five years. They were highest at \$1,910,800 in 1944 and
...at \$1,831,000 in 1945. American's cash was over a million in 1944 and
...in 1945, \$1,831,000 in 1944 and \$1,831,000 in 1945, which was about \$10,000
...to the 1944 level.

In the first three years of this period the company's bank loans continued at half a million. They were up to \$1,050,000 in 1947 and down to \$550,000 in the following year. Cash and receivables were \$396,507 larger than bank loans in 1944 and exceeded them by \$1,166,804 in 1948. These figures were exclusive of tax reserves, which ranged from \$43,000 in 1945 to \$79,000 in 1948.

In the twelve years from January 1, 1937 to December 31, 1948, the Amoskeag Company had a total net income from dividends and interest of \$8,879,181, equal to \$127.34 on the preferred and \$56.62 on the common, and after the distribution of \$6,934,331 in dividends, or \$54 and \$33.50 per share, respectively, on the two issues, carried an accumulated balance of \$1,944,850 to surplus. The highest annual income was \$975,584 in 1948, the largest dollar distribution of dividends, ^{688,032 in} 1937 with more shares of both preferred and common involved, and the most substantial increase in surplus, \$411,294, also in 1948, when the company's net income per share was largest, \$14.90 on the preferred and \$7.57 on the common. In 1938 the net earnings had been as low as \$497,863, or \$6.83 and \$1.89 per share, respectively. Only \$1.50 was paid on the common and the amount carried to surplus was the lowest, at \$35,190. In the final five years 1944-1948, the company's net averaged more than \$833,000, dividend payments, \$575,000 and the balance carried to surplus, \$260,000. An average of \$12.32 on the preferred and \$5.87 on the common was earned. For the entire twelve-year period net income averaged \$739,932, dividend payments, \$577,861 and balance to surplus, \$162,071. The average per share was \$10.61 on the preferred and \$4.72 on the common. Details for the different years are given in the following summary.

Summary of Income Account

(Twelve Years January 1, 1937 to December 31, 1948)

<u>Year</u>	<u>Net Income</u>	<u>Dividends</u>	<u>Bal. to Sur.</u>	<u>Net Per Sh Pfd</u>	<u>Net Per Sh Com.</u>
1948	\$ 975,584	\$ 564,290	\$ 411,294	\$ 14.90	\$ 7.57
1947	897,764	569,316	328,448	13.49	6.65
1946	772,754	578,784	193,970	11.25	5.16
1945	755,218	579,797	175,421	10.96	4.95
1944	765,406	582,609	182,797	11.01	5.03
1943	723,301	585,125	138,176	10.32	4.54
1942	736,043	587,132	148,911	10.44	4.66
1941	699,202	590,930	108,272	9.80	4.20
1940	671,380	593,058	78,322	9.34	3.87
1939	603,923	552,585	51,338	8.29	3.07
1938	497,863	462,673	35,190	6.83	1.89
1937	780,743	688,032	92,711	10.71	5.03
Totals	<u>\$8,879,181</u>	<u>\$6,934,331</u>	<u>\$1,944,850</u>	<u>\$127.34</u>	<u>\$56.62</u>
Ann'l					
Av'ge	\$ 739,932	\$ 577,861	\$ 162,071	\$ 10.61	\$ 4.72

An explanation of the changes in the number of shares that the Amos-keag Company had outstanding from year to year will help to complete the picture. From 1937 to 1948 a total of 7,439 shares of the \$4.50 cumulative preferred (par value \$100) were bought and cancelled at a total cost of \$639,664, or \$86 per share, including accrued dividends, decreasing the total outstanding from 72,896 at the end of 1937 to 65,457 as of December 31, 1948. The largest numbers retired were 2,110 in 1947, 1,111 in 1948 and 1,000 in 1940. ~~None~~ were cancelled in 1939. These figures do not include the \$376,262 paid in 1937 previous to June 30, to cancel preferred shares previously held in the treasury at that value. With it the total distribution for the retirement of preferred for the period would amount to \$1,015,926. The retirement of 7,439 shares of preferred represents an annual saving of more than \$33,000 in the dividend requirements on this issue with increased advantages for the common. The only change in the latter was the cancellation of 270 shares, 181 in 1937 and 89 in 1938, reducing the amount outstanding to 89,911, which has continued to date. The common purchased in 1938 were bought at ^{5,272}~~\$1,827~~, or about ⁷⁵⁹~~\$20~~ per share. Details for the changes in preferred are given below.

Changes in Amoskeag Preferred*
(Year Ended December 31, 1937-1948)

<u>Year</u>	<u>No. Shares Retired</u>	<u>Cost</u>	<u>Outstanding December 31.</u>
1948	1,111	\$ 99,000	65,457
1947	2,110	210,936	66,568
1946	225	22,923	68,678
1945	625	57,038	68,903
1944	559	47,121	69,528
1943	446	33,809	70,087
1942	844	60,028	70,553
1941	469	34,509	71,377
1940	1,000	71,323	71,846
1939	-----	-----	72,846
1938	50	2,977	72,846
1937	*-----	-----	72,896
	<u>7,439</u>	<u>\$639,664</u>	* <u>7,439</u>

* In the June 30, 1937 report of the company it was stated that the \$376,262 of preferred previously held in the treasury had been cancelled for that amount. The 7,439 in the last column represents the net changes in number of shares. In this period 270 shares of common were cancelled in 1937 and 1938, 181 and 89 to reduce the outstanding from 90,181 to 89,911.

The following figures show Amoskeag's balance sheet values for securities held and reserves for shareholders at the end of each year from 1937 to 1948, together with the equity per share for the common compared with the annual high and low quotations on that stock. Its share in reserves averaged \$88 for the whole period while the average quotation was \$39.50. Of course the diminishing number of preferred shares was a contributing factor to some extent to the increase in common stock reserve values and the latter's quotations were affected from time to time by the general trends in security values and the size of the company's dividends, although it has always averaged close to \$3 and has stayed exactly at that amount since 1940. Apparently the book values have been equal to ~~more~~ than twice the quoted prices for the stock. It will be interesting to compare in another table the market appraisal of the securities held by Amoskeag with the values given in the balance sheets.

Book Values of Amoskeag Securitiesand Shareholders' Reserves (1937-1948)

Year	Securities Held (Book Values) (December 31)	Reserves for Shareholders (December 31)	Equity Per Sh for Com. Stock (December 31)	High and Low Quots (December
1948	\$15,276,322	\$15,799,836	\$103	96-55
1947	15,476,204	15,371,317	97	74-50
1946	14,944,237	15,037,130	95	100-64
1945	14,711,718	15,001,027	90	67-46
1944	14,802,405	14,570,403	85	44-34
1943	15,189,611	14,707,045	85	36-23
1942	15,248,441	14,610,377	84	21-19
1941	15,250,652	14,583,255	83	24-19
1940	14,675,022	14,411,533	81	23-17
1939	14,534,894	14,486,051	80	22-16
1938	14,472,448	14,650,314	83	21-11
1937	14,936,930	15,095,350	86	46-20
Average			\$ 88	39.50

In the summary of Amoskeag Company's quotations, dividends and yields for the twelve-year period, which are given below, it will be noted that the average price for the common was \$39.50, as previously stated, while that for the preferred was \$77.92. The dividend on the latter is of course fixed at \$4.50. Payments on the common averaged \$2.80 and they have been maintained at \$3 in the last eight years. Average yields on the basis of these figures were 5.94 per cent on the preferred and 9.16 per cent on the junior issue. On the former they ranged from 7.74 and 7.14 per cent in 1938 and 1939 to 4.50 and 4.50 per cent in 1946 and 1947. The lowest yield for the common was 3.66 per cent in 1946 and the highs 14.35 in 1940 and 15 per cent in 1942.

Amoskeag Quotations, Dividends, Yields

	Average Quotations		Dividend		Average Yields	
	Pfd	Common	Pfd	Common	Pfd (%)	Com (%)
1948	89.50	75.00	\$4.50	\$3.00	5.03	4.00
1947	99.25	62.00	4.50	3.00	4.54	4.84
1946	100.50	82.00	4.50	3.00	4.50	3.66
1945	87.50	56.75	4.50	3.00	5.14	5.28
1944	79.50	39.50	4.50	3.00	5.66	7.60
1943	73.00	29.50	4.50	3.00	6.17	10.17
1942	69.00	20.00	4.50	3.00	6.52	15.00
1941	73.62	21.63	4.50	3.00	6.11	13.90
1940	69.50	20.20	4.50	2.50	6.48	14.35
1939	63.00	19.00	4.50	1.50	7.14	7.90
1938	58.30	16.00	4.50	2.00	7.74	12.50
1937	72.38	33.06	4.50	3.50	6.22	10.60
Average (12 yrs)	77.92	39.50	\$ 4.50	\$2.80	5.94	9.16

Book Values of American Securities

and "Shareholders' Resources" (1937-1948)

Year	Shareholders' Resources (Book Value) (December 31)	Resources for Shareholders (December 31)	Assets for Shareholders (December 31)	High Low (1937-1948)
1948	14,702,320	12,328,000	12,328,000	90-50
1947	14,702,320	12,328,000	12,328,000	70-30
1946	14,702,320	12,328,000	12,328,000	100-00
1945	14,702,320	12,328,000	12,328,000	60-40
1944	14,702,320	12,328,000	12,328,000	80-20
1943	14,702,320	12,328,000	12,328,000	90-10
1942	14,702,320	12,328,000	12,328,000	70-30
1941	14,702,320	12,328,000	12,328,000	80-20
1940	14,702,320	12,328,000	12,328,000	90-10
1939	14,702,320	12,328,000	12,328,000	70-30
1938	14,702,320	12,328,000	12,328,000	80-20
1937	14,702,320	12,328,000	12,328,000	90-10

In the summary of American Company's performance, it will be noted that the twenty-year period, which was given below, it will be noted that the average price for the common was \$20.00, as previously stated, while the book value per share was \$14.72. The dividend on the latter is of course fixed at \$2.50, or 16.99% of the common. The average price of the common was \$20.00 and they have been maintained at \$2.50 per share since 1937. Average price on the basis of these figures was \$2.50 per share on the preferred and \$1.18 per share on the junior issue. In the latter they ranged from 7.75 and 7.14 per share in 1937 and 1938 to 4.50 and 4.00 per share in 1948 and 1949. The lowest price for the common was \$2.50 per share in 1948 and the high \$14.72 in 1940 and 1941 per share in 1942.

Average Price of American Securities, 1937-1948

Year	Average Price Common	Average Price Preferred	Average Price Junior	Average Price Total
1948	14.72	2.50	1.18	18.40
1947	14.72	2.50	1.18	18.40
1946	14.72	2.50	1.18	18.40
1945	14.72	2.50	1.18	18.40
1944	14.72	2.50	1.18	18.40
1943	14.72	2.50	1.18	18.40
1942	14.72	2.50	1.18	18.40
1941	14.72	2.50	1.18	18.40
1940	14.72	2.50	1.18	18.40
1939	14.72	2.50	1.18	18.40
1938	14.72	2.50	1.18	18.40
1937	14.72	2.50	1.18	18.40

The book value of the securities held by Amoskeag Company, as given in its balance sheets and compared in the preceding table, didn't show any very substantial variation from one year to another. At the end of 1937 the figures were \$14,936,930; in 1945, when the stock prices were at the peak, no more than \$14,711,718, and in 1948, \$15,276,322. It was a different story with market values, as indicated in the twelve-year summary. At the end of 1937 Amoskeag's securities apparently would not have brought any more than \$9,584,221, that is \$5,352,709 below their stated book value. The picture had changed very decidedly by December 31, 1945, when the indicated market value of the company's stocks and bonds was \$20,157,772, or \$5,448,054 above their book values. It is interesting that the difference between these two extremes was only about \$96,000 and in favor of the market value. In the last five years of the period, 1944-1948, the average market value of the securities held by Amoskeag was \$18,435,000, compared with the total book value of \$15,040,000, which meant that the market appraised them at \$3,395,000 more than the amount at which they were carried in the company's balance sheets.

The purpose of the following table is to show the trend in the net asset values of both issues of Amoskeag's own stock based on the market value of the securities held by the company plus cash and receivables and less current liabilities (bank loans and tax reserves), all expressed in thousands of dollars. Owned at an average market value of \$14,245,000 and a net asset value of \$14,145,000, the net assets back of the company's shares were equal to \$203.50 and \$79.30 on the preferred and common. The top years were 1945 and 1948, with \$296.20 and \$294.20 on the preferred and \$150.80 and \$141.40 on the common. In 1937 and 1941 the figures were \$133.70 and \$27.30 and \$137 and \$29.40.

Net Asset Value of Amoskeag Shares.

Year Ended December 31.	Securities At Market Value (Thousands)	Cash and Receivables (Thousands)	*Current liabilitie (Thousands)	Total Net Value (Thousands)	Per Share Val. Pfd.	Comm.
1948	\$18,733	\$1,717	\$1,193	\$19,257	\$294.2	\$141.4
1947	18,215	1,564	1,669	18,110	272.0	127.4
1946	18,217	1,215	1,123	18,310	266.6	127.3
1945	20,160	1,412	1,123	20,449	296.2	150.8
1944	16,853	896	1,128	16,621	239.1	107.5
1943	14,482	749	1,231	14,000	199.7	77.8
1942	11,107	1,200	1,838	10,469	148.4	38.0
1941	10,444	1,125	1,791	9,778	137.0	29.4
1940	10,998	1,752	2,015	10,735	149.5	39.5
1939	11,327	1,224	1,272	11,279	154.8	44.4
1938	10,816	1,253	1,075	10,994	150.9	41.3
1937	9,584	1,719	1,560	9,743	133.7	27.3
Average	\$ 14,245	\$1,318	\$1,418	\$14,145	\$203.5	\$79.3

*Includes bank loans and tax returns.

A few facts about the individual stocks and bonds from which the Amoskeag Company derived its income may be of interest. It will be remembered that when the holding company was organized in 1925, its assets included substantial amounts of both preferred and common shares of the new manufacturing company that was set up as a separate trust. When under the recapitalization plan of the latter in November, 1927 its preferred stock was retired, the Amoskeag Company, which had owned 93.37 per cent of it, received a very large amount of cash, most of the new 6 per cent bond issue and some additional common shares in the manufacturing ^{company}. Then when Amoskeag company's common shareholders were given the right up to December 6 of that same year ^{to exchange their shares} for \$52 in cash, \$40 in 6 per cent bonds and one common share of the operating company's common stock, the investment company's own holdings of the latter and of the bonds were substantially

reduced. In the balance sheets of June 30, 1928 and 1929 they were about \$3,607,000 for the bonds and 90,181 shares of common carried at no value in both years. Previously there had been \$13,692,700 of these bonds and 342,316 shares of the common stock. Other securities owned in 1928 and 1929 were valued at \$9,187,410 and \$4,175,164, but the company also owned in the latter year over 10 million dollars of Liberty bonds. Amoskeag Company received six per cent interest on the manufacturing company's bonds until the end of 1935. The following year the manufacturing company was closed and its properties sold to the Amoskeag Industries. The investment ^{Company's} bondholdings which at that time amounted to \$3,597,300 were redeemed in 1937 at par and accrued interest. More than four dollars a share was received eventually from the liquidation of the manufacturing company's common stock. The June 30, 1936 balance sheet of the holding company showed that they owned other stocks and bonds at a stated value of \$14,103,503 and a market value of \$11,707,152. The two statements of 1937, when the fiscal year was changed, showed other securities at \$14,895,662 on June 30 and \$14,936,930 on December 31, with market values of \$11,865,721 and \$9,584,221.

The investment portfolio of the Amoskeag company was published for the first time with the June 30, 1937 report. It included 196 individual issues of 170 different companies with a market value of \$11,865,721. The company explained that shares with a market value of \$1,344,994 had been deposited as collateral against bank loans.

Forty-seven of the large holdings in the list included the following stocks and bonds: 10,000 American Express; 1,000 American Felt 6% preferred; \$88,000 of American I.G. Chemical 5½s; 3,500 American Power & Light \$5 preferred; 2,760 American Rolling Mills common; 1,800 American Smelting & Refining common; 1,100 American Water Works & Electric preferred; 1,500 Bankers Trust Co.; 1,358 Boston Railroad Holding 4% preferred; \$210,000 Brooklyn & Manhattan Transit 4½s; 2,600 Bank of Manhattan \$6 preferred; 1,000 Caterpillar Tractor common; 1,500 Central Aguirre Associates; 5,000 Chase National Bank; 4,500 Consolidated Investment Trust; 1,500 Continental Can; 1,000 Eastern Gas & Fuel prior preferred;

500 Eastman Kodak; 1,800 Engineers' Public Service \$6 preferred and 1,700 of its $5\frac{1}{2}$ preferred; 2,150 First National Bank of Boston and General Capital Corporation.

Two thousand share of General Electric; 1,000 Guaranty Trust Co.; 2,000 Gulf Oil; 1,200 Johns Manville common; 4,000 Liquid Carbine; 500 Loew's Inc.; 25,000 of J.P. Maguire & Co. preferred and the same number of common; 1,350 Massachusetts Bond & Insurance; 10,000 National Lead common; 11,697 Old Colony Trust Associates; 5,000 Pennsylvania Railroad; 2,500 Scovill Mfg. Co.; 2,000 Sears, Roebuck; 2,500 Selected Industries \$5 $\frac{1}{2}$ preferred; 4,800 Southern California Gas preferred; 3,000 Southern Pacific; 4,012 Stone & Webster; 2,000 Texas Corporation; 1,000 Union Carbon & Carbide; 1,000 United Fruit; 700 United Shoe Machinery common; 1,000 U.S. & Int. \$5 1st preferred; 1,000 U.S. Smelting & Refining and 7,000 Wilson-Jones Co.

Shares of uncertain value carried nominally at \$1 included; 2,125 Suncook Mills common and 848 of that company's preferred; 1,000 Carpenter Hotel preferred; 510 Conn. R. & L. common; 250 Imco Participating Co. certificates; 3,010 Moore's Falls Corporation; \$250,000 Imperial Russian Government 5 $\frac{1}{2}$ s (1921), and 90,181 Amoskeag Manufacturing Company common.

It might be noted in regard to J.P. Maguire & Co., Inc. the New York factoring firm, that in 1940 Amoskeag bought 18,000 additional shares of the common stock. Its holdings in 1942 and later were listed as including 43,000 common and 25,000 ~~certificates~~ 6% preferred, which cost \$700,000 and \$2,500,000, respectively, or a total investment of \$3,200,000. At the present time there are three Amoskeag trustees on the board of the company, the two Dumaines and Charles F. Adams. John P. Maguire, president of the company, was associated with the Textile Banking Co. before he started his own factoring business. Among his present textile accounts are Botany Worsted, Cheney Bros., Sidney Blumenthal & Co., Stern Bros., United Piece Dye Works, in all of which Mr. Maguire is a director.

The 2,125 common and 848 preferred shares of Suncook owned by the Amoskeag at this time and valued nominally at \$1 a share developed later into a very

profitable investment. Dr. Dumaine Sr., treasurer of the Amoskeag, took a personal interest in the property and successfully cooperated with J. Linzee Weld, its treasurer and president also, after the death of W. Rodman Peabody, to improve the plant and put it back on its feet. The Amoskeag Company loaned the Suncook \$200,000 secured by 4 per cent mortgage notes to that amount, and furnished working capital as long as the note remained unpaid. The New Hampshire mill was converted into the first substantial rayon weaving mill in this country. Amoskeag was represented on the Suncook board by F.C. Dumaine, Jr. and the office of that company was located at 199 Washington St., Boston, where Amoskeag had its headquarters. Another new director at this time was Royal Little of the Atlantic Rayon Co., which in 1943 bought Suncook and the next year under its new name of Textron Inc. made it the first rayon weaving unit in that now tremendous organization.

Suncook was recapitalized as of September 15, 1941. No dividends had been paid on the 6 percent preferred since 1925 and none on the common since 1921. Accumulations on the former issue totalled \$91.50 a share by February 15, 1941. Under the plan preferred shareholders were given the choice of two options, either \$100 in cash or three shares of a new \$50 prior preferred and two shares of new \$25 common. By February 28, 1942 Suncook's outstanding stock included only 70 shares of the \$6 cumulative preferred; 4,437 of non-cumulative \$50 prior preferred and 36,958 of \$25 common. A dividend of \$18 had been paid on the old preferred in December, 1941. At the end of 1941 Amoskeag's Suncook holdings consisted of 2,562 shares of prior preferred and 10,208 shares of common, valued at \$71,736 and \$51,040, respectively. By December 31, 1942 their value had been increased to \$76,860 and \$122,496, or \$30 and \$12 per share, and they then represented a total investment of practically \$200,000, as compared with the nominal of \$1 per share, or only \$2,973, for the company's holdings of Suncook's 6 per cent preferred and common five years previous.

In 1942 Suncook's sales were \$8,304,181, compared with \$5,275,110 in the preceding year, but net income was down from \$248,275 to \$160,000 on account of the greatly increased cost of sales, and the payment of \$700,000 for income and

excess profit taxes. The offer of the Atlantic Rayon Co. to purchase Suncook was approved at a special meeting held June 21, 1943. Proceeds of the sale gave holders of prior preferred the \$52.50 per share to which they were entitled. Amoskeag's share was \$134,505. At the end of 1942 the 2,562 shares had been valued at \$76,860. Its holdings represented nearly 61 per cent of the total of this issue. At this time it was estimated that the holders of common stock would receive \$35 to \$40 a share, but it was ^{not until} several years later that the amount was definitely known.

During the period of ^{Suncook} liquidation, which is still not quite completed, F.C. Dumaine, Jr. has been chairman of the board of directors and J. Linzee Weld, president and treasurer. Mr. Weld became associated with Textron. He is now vice-chairman of the board of Textron Incorporated, the holding company, and a vice-president of the operating Textron Inc. A few years ago Mr. Weld was elected a trustee of the Amoskeag Company.

After the sale of Suncook to Textron, Amoskeag held only the common stock of the former. The amount had been increased from 10,208 to 16,908. The shares were carried in the holding company's portfolio of December 31, 1943 and 1944 at no value, and also in 1945, although it was then stated that although liquidation was uncompleted estimated recovery might reach \$250,000. A more definite amount was named on December 31, 1947. This was \$219,804, which was paid on January 1, 1948. When the company's 1948 report was made this year it was stated that final liquidation of the Suncook would not be made until after the Treasury Department had completed its examination of the company's Federal income and excess profits tax payments. At any rate the \$219,804 received last year together with the \$134,505 on the preferred represents a total of over \$354,000 already realized by Amoskeag on this investment. Of course it also received the four per cent interest on the \$200,000 notes and some income on working capital loans to Suncook.

Returning to the other holdings of Amoskeag there was no substantial shift in 1938 in existing investments. The company's purchases included: 10,000 shares of United Corporation \$3 preferred; 600 American Smelting; 1,000 Inter-

national Mining; 1,000 Irving Trust; 3,500 Nash-Kelvinator; 1,000 Socony-Vacuum and 2,00 Standard Oil of California. Among the sales were: 2,000 Chase National; 1,000 Flinkote; 1,500 General Capital; 1,200 Johns Manville; 600 Pennsylvania Railroad; 3,512 Stone & Webster; 500 Union Carbide and 700 U.S. Smelting common.

In 1939 purchases included: 400 America Agricultural; 500 Curtiss-Wright A; 1,500 El Paso National Gas; 1,600 Employers Group Associates; 300 Engineers Public Service \$5.50 preferred; 1,000 General Aniline Film A; 600 Irving Trust; 300 Leow's, Inc.; 300 Louisiana Land & Exploration; 5,300 National Department Stores preferred; 2,000 National Distillers; 5,00 Richfield Oil and 1,300 United Corporation preferred. Amoskeag sold the following shares in this year: 1,500 Adams Express; 500 American Bank Note; 880 American I.G. Chemical A; 500 American Radiator; 500 Borg Warner; 1,500 Continental Can; 500 International Telephone; 400 Laclede Gas; 1,000 National Shawmut Bank and 1,700 Pullman.

In 1940 there were numerous shifts in Amoskeag's long list of securities. Among the most important were: Purchased- 340 American News; 2,500 Aviation Corporation; 200 Deere common; 800 Eastern Gas & Fuel 6% preferred; 325 Eastern Mass. 1st preferred; 1,000 Electric Bond & Share \$6 preferred; 565 Employers Group Associates; 400 Irving Trust; 400 Lone Star Cement; 18,000 J.P. Maguire common; 2,200 National Department Stores common and 2,600 preferred; 400 Phillips Petroleum; 354 Standard Oil of New Jersey; 300 United Corporation preferred and 300 United Shoe. Sold- 1,800 Adams Express; 500 Aetna Standard Engineering common; 600 Air Reduction; 1,00 Curtiss-Wright A; 1,000 Northern Pacific; 800 Radio Corporation preferred and 100 Union Carbide.

The above names will serve to illustrate the extensive diversification of Amoskeag Company investments and its policy in regard to shifting from some types of securities to others while continuing to hold a total of 150 to 200 different issues of stocks and bonds. The most recent list, that of the company's holdings as of December 31, 1948, will be referred to in detail later. In the meantime, a few facts about some of the securities listed in the years in between may be of interest.

During 1941 Amoskeag purchased stocks at a cost of \$852,462 and sold other securities (except Government issues) for \$258,599. Mention has already been made of the company's holdings of Suncook and J.P. Maguire shares in 1942. In that year they still held the 1,000 shares of American Felt 6 per cent preferred, which were valued at \$75,000 and the 1,600 shares of Bigelow-Sanford then at \$45,600. The list also included the 200 shares of Associated Dry Goods, valued at only \$2,700. These stocks are noted not because of the amounts of money involved, because they were about the only ones in the company's portfolio with a semblance of textile flavor. In view of recent events Amoskeag's holdings of New Haven at this time are of interest. They included 200 shares of 7 per cent preferred valued at \$325 and seven issues of debentures with a total value as of December 31, 1942 of only \$108,701. The company also held Boston & Maine 4½ per cents (1970) at \$212,390. Its holdings at this time included an increasing number of radio, aviation and oil stocks. In the 1943 list the B.&M. 4½s had increased in value to \$265,000. The 200 shares of New Haven preferred were listed as of no value. Three issues of that railroad's debentures were valued at a total of \$208,125. In 1943 also Amoskeag Company held four issues of Old Colony Railroad at \$194,360. Other railroad holdings included 3,400 Pennsylvania at \$420,375. Among the Governments listed were U.S. Treasury 2s 1951-53 at \$100,125.

At the end of 1944 the company's holdings of Boston & Maine 4½s were valued at \$352,500. New Haven's preferred continued of no value. Three ~~debenture~~ issues were valued \$268,375. Four issues of Old Colony debentures and bonds were listed at \$910,260. There were 4,800 shares of Maine Central 6% prior preferred at \$316,800 and 88,500 Pennroad Corporation at \$486,750. Shares of Boston Railroad Holding 4 per cent preferred had been increased since 1937 from 1,358 to 3,663. Some other comparisons with 1937 included an increase from 4,500 to 5,000 shares in Consolidated Investment Trust valued in 1944 at \$236,250; 500 to 550 Eastman Kodak; 500 to 900 in Loew's Inc.; 700 to 800 in United Shoe; 1,350 to 1,500 in Mass. Bond & Insurance; 1,800 to 2,000 in American Smelting & Refining. Important reductions included: 5,000 to 3,000 shares Chase National; 10,000 to 6,400 National Lead common; 5,000 to 3,400 Pennsylvania Railroad valued

at \$420,375 in 1943; 4,800 to 2,000 Southern California Gas preferred; 4,012 to 500 Stone & Webster and 1,000 to 400 Union Carbide. Shares in Bankers Trust Company were increased from 1,500 to 1,800. A few of the shares in the 1944 list that remained unchanged were 2,600 Bank of Manhattan preferred; 1,000 Eastern Gas & Fuel prior preferred, although Amoskeag now also owned 6,300 of 6% preferred at \$311,850; 3,500 of two issues of Engineers' Public Service; 2,150 First National Bank of Boston; 2,000 General Electric; 1,000 Guaranty Trust, now at \$351,000; 2,000 Gulf Oil; 4,000 Liquid Carbine; 11,697 Old Colony Trust Associates; 2,000 Sears, Roebuck; 3,000 Southern Pacific; 2,000 Texas Corporation; 1,000 United Fruit; 1,000 U.S. Smelting, and 7,000 Wilson-Jones. There were no changes in American Felt, Bigelow-Sanford and J.P. Maguire holdings. The Suncook situation has been referred to elsewhere. The Pennroad shares valued at \$486,750; Pennsylvania Railroad valued at \$420,375; Boston & Maine 4½s at \$352,500, and Maine Central 6% at \$316,800 were also included in the 1943 list. Other valuable holdings listed at the end of 1944 include: Eastern Gas & Fuel preferred at \$311,850; 6,000 Electric Bond & Share \$6 preferred at \$594,000; 13,550 United Corporation at \$525,373; 16,000 Bay State Corporation at \$337,995 and U.S. Treasury 7/8 % Certificates H'45 at \$300,174.

On December 31, 1948 the securities held by the Amoskeag Company had a market value of \$18,732,666. There were over 150 different issues in the list, and eighteen of the issues accounted for about eleven and a half million of the total amount indicated. The value of sixteen railroad stocks was five million, including \$2,372,089 for New Haven issues and \$663,750 in Pennroad Corporation. Mr. Dumaine's interest in railroads has been sentimental as well as financial and, as is well known, has continued up to the present time. It will be remembered that when as a boy of 14 Frederic C. Dumaine came into the Amoskeag office in Boston for the first time to begin the close association with its treasurer, T. Jefferson Coolidge, which lasted for forty years, the important railroads of the country then had their executive offices in that city, including the Atchafson, Topeka & Santa Fe, which was saved from failure by Mr. Coolidge when he was president of the road in 1880. Bank stocks in the Amoskeag list in 1948

account for about three quarters of a million, of which \$304,800 represents the value of 1200 shares of the Guaranty Trust Company. The varied types of stocks in which Amoskeag has invested are well illustrated in the following tabulation.

Leading Securities Held December 31, 1948

Shares	Stocks and Bonds	Indicated Value
16,000	Bay State Corporation	\$ 464,000
*\$ 500,000	Boston & Maine	280,000
3,663	Boston Railroad Holding Co.	293,040
13,000	Consolidated Investment Trust	229,500
14,450	Delaware & Hudson	559,937
14,254	Delaware Power & Light	242,318
8,000	Eastern Gas & Fuel 6% pfd.	592,000
1,200	Guaranty Trust	304,800
43,000	J.P. Maguire & Co. (at cost)	700,000
25,000	" " " " " "	2,500,000
6,134	National Lead	214,200
50,000	New Haven 5% pfd.	1,525,000
*\$ 1,756,000	" " 4 1/2 %s	803,370
90,000	Pennroad Corporation	663,750
16,095	Philadelphia Electric	331,959
12,000	Richfield Oil	309,000
10,000	Standard Oil of California	672,500

Among the sixteen railroad stocks listed some others in addition to those ~~one~~ given above are: 10,000 Atchison, Topeka & Sante Fe, \$100,375; 7,300 Canadian Pacific; 11,000 Erie, \$145,750; 2,800 Southern Railway 5% preferred and 1,200 Union Pacific. Bank stocks not listed above include 3,000 Chase National at \$100,500; 8,500 Irving Trust, \$128,562; 1,800 Bankers Trust \$69,300; 1,000 First National of Boston, \$45,750 and 2,000 National Shawmut Bank, \$45,500.

Among textile stocks, besides those already mentioned, are the 1,000 of American Felt 6 per cent preferred held for many years and the more recent purchase of 4,500 shares of United Merchants and Manufacturers at \$52,312. Other stocks include 1,800 General Electric at \$69,975; 2,750 Eastern Kodak at \$120,656; 2,700 Loew's Inc. at \$38,475 and 4,400 Mack Trucks, at \$61,050. Still carried at \$1 because of uncertain value are the inevitable 510 shares of Connecticut Railway & Light Co.; \$250,000 par of Imperial Russian Government 5 1/2s (1921) and 3,010 Moore's Falls Corporation.

Eight of the trustees of the Amoskeag Company have continued on the board during this final period which brings the history of the holding company up to

date. They are Frederic C. Dumaine, F. C. Dumaine, Jr., Charles F. Adams, Charles E. Cotting, William Amory, George P. Gardner, Jr., Robert G. Stone, and Frank J. Sulloway. The four trustees who had passed away since 1936 and 1937 were Frank P. Carpenter, George P. Gardner, Sr., William Dexter and F. R. Sears, Jr. Mr. Carpenter had served for more than thirty years as an Amoskeag director and trustee. There have been Gardners on the board of the manufacturing and holding companies since 1874. The elder George P. Gardner completed his long service with several years as president, an office he held until his death.

Frank P. Carpenter, New Hampshire's outstanding philanthropist, banker and manufacturer, died April 13, 1938. At that time he was president of the Amoskeag Paper Mills, treasurer and trustee of the Mechanics Savings Bank, trustee of the Amoskeag National Bank and Amoskeag Trust Co. and director of the Boston & Maine. George P. Gardner, Sr., died June 7, 1939 at the age of 83. He had had a long active life in corporate finance and intimate connections with some of the nation's largest industrial concerns and was prominent as a churchman, humanitarian and patron of the arts. He had been a director of the General Electric since 1895 and member of the executive committee since 1906; a director of American Telephone & Telegraph Co. since 1912 and on ^{the} executive committee since 1919. His other directorships included the First National Bank of Boston, Old Colony Trust Co. and International General Electric Co. At one time he had been president of the Great Falls Manufacturing Co. and the Lawrence Manufacturing Company. William Dexter, son of Philip Dexter, who was one of the original trustees elected in 1911, when the manufacturing company was changed to a voluntary association, had also served as an Amoskeag president. He preceded Mr. Peabody and had been head of the board during the liquidation of the manufacturing company. At the time of his death in early 1943, William Dexter, who was a member of the law firm of Choate, Hall & Stewart, was also trustee of the Ludlow Manufacturing Associates and a director of the Pepperell Manufacturing Company, as well as of the Boston Edison Co., Waltham Watch Co., Boston & Maine, First National Bank of Boston and the Old Colony Trust Co. Francis R. Sears, Jr., who died January 6, 1947, was a member of a family that had been first represented

on ~~the~~ Amoskeag board fifty years before, when Henry F. Sears became a director of the manufacturing company.

The four new directors now trustees of the Amoskeag Company are William B. Snow, Jr., president, who succeeded Mr. Dumaine, Sr. in that office, when the latter became chairman of the board; ^{*Mr. Snow is president of one of Boston's largest mutual savings banks, The Suffolk Bank for Savers and Others*} Francis Lee Higginson vice-president and director of the investment firm of Lee, Higginson Corporation; J. Linzee Weld, vice-chairman of Textron Incorporated and Ralph Lowell, president and director of the Boston Safe Deposit & Trust Co. W. Rodman Peabody, who had been a member of a well known Boston law firm and president of Suncook Mills in which Mr. Dumaine and Amoskeag Company were financially interested before it was sold to Textron, served on the Amoskeag board to complete the unexpired term of F.P. Carpenter, but because of his death was ^{*elect*} succeeded early in 1941 by Charles F. Adams, Jr., president and director of Raytheon Manufacturing Company, ^{*but who did not qualify*} who served only to the end of the year. At the next annual meeting in February, 1942, W.B. Snow, Jr. became a member of the board.

The extensive and diversified interests of the trustees of the Amoskeag have been referred to previously, but at the close of this history it is perhaps fitting to bring the facts up to date, so that the experience and the abilities of the management of this very profitable investment company may be fully appreciated.

The long service of Mr. Dumaine, Sr. with Amoskeag from 1880 to 1904, when he became a director, and to 1905, when he was elected treasurer, the office he held for so many years, including 1925 to 1936, when he was financial executive of both the manufacturing and holding companies, to his more recent election as president and the chairman of the board of the Amoskeag Company, are already well known. A good illustration of the continued appreciation of Mr. Dumaine's abilities and influence in financial and business circles was his recent election as president of the New Haven Railroad, of which he is now chairman. He had been a director of that corporation for a number of years, as well as vice-president and director of the Boston Railroad Holding Company. Mr. Dumaine is a member of the executive committee of the Boston Manufacturers Mutual Fire Insur-

ance Co., president of the Commonwealth Corporation, and member of the advisory board of the Guarantee Company of North America. He is a director of the Bay State Corporation. Mr. Dumaine is also one of the three Amoskeag trustees on the board of directors of John P. Maguire Co., Inc., the well known New York factoring concern in which the holding company has a very substantial interest.

F. C. Dumaine, Jr., who became treasurer of Amoskeag when his father succeeded George P. Gardner as president, is also on several railroad boards. He is director of the Boston & Lowell, Boston & Maine, Maine Central, Pennroad Corporation, Middlesex & Boston and Springfield Street Railway. His other directorships include Boston Edison Co., Lehigh Coal & Navigation Co., United Corporation and J. P. Maguire & Co. He is proprietor of the Connecticut River Bridge and trustee of the Suburban Electric Securities Co. and chairman of the board of the Suncook Mills Corporation.

President of the Suffolk Savings Bank also
William B. Snow, Jr., is chairman of the board of the Springfield Railway Company. He is a director of the New Haven and of the Middlesex & Boston. His other directorships include American Felt Company, Daniel Green Co., United Merchants & Manufacturers and the Second National Bank of Boston.

Charles Francis Adams, one of the directors who has served since 1925, is popularly known as former Secretary of the Navy and for his international yachting prowess in early life. And also at the present time, although now close to 80, for continued civic and humanitarian activities in Boston and his native city of Quincy, of which he was mayor for several years. He is director or trustee in 44 companies or other organizations. Until recently he was chairman of the board of the State Street Trust Company. Mr. Adams is president and director of the Dwight Manufacturing Company and a director of Bigelow-Sanford Company, Inc. Like Mr. Dumaine, Sr. and Mr. Snow he is on the New Haven Board. He is also one of Amoskeag's three directors in J. P. Maguire & Co. He is a member of the finance committee of the John Hancock Life Insurance Co. A few of his other directorships include the General Electric, of whose board two other Amoskeag trustees are also members; American Telephone & Telegraph Company; Boston & Albany, and Pan American Airways, Inc.

G. Peabody Gardner, Jr. is on the boards of both General Electric and American Telephone & Telegraph Co. His other directorships include Waltham Watch Co., First National Bank and Old Colony Trust Company and Eastern Steamship Lines, Inc. Among his trusteeships is the Isabelle Stewart Gardner Museum.

Charles E. Cotting is vice-president, treasurer and director of Lee, Higginson Corporation. His directorships include Jones & Lamson Co., Maine Central, Portland Terminal Co., and What Cheer Mutual Fire Insurance Co. He is a member of the corporation of the Suffolk Savings Bank and trustee of the Properties of the Cemetery of Mt. Auburn and ^{of} Seeing Eye, Inc.

The Amory name has been prominent in Amoskeag affairs for more than a century. The original William Amory, who became treasurer in 1837 served in that office for almost forty years. It is now more than 35 years since the present trustee of that name was first elected to the board. William Amory was well known for many years as treasurer of the Pepperell Manufacturing Co. and is now chairman of the board of that continuously successful textile manufacturing organization. He is also a director of the Old Colony Trust Company.

Francis Lee Higginson, one of the newer Amoskeag trustees, is like C. E. Cotting a vice-president of the Lee Higginson Corporation. He serves with Mr. Adams on the General Electric board. He himself is also a director of International Electric. His principal textile mill affiliation is as a member of the Pacific Mills board. He is trustee with Mr. Gardner for the Gardner Museum. He shares in the trusteeships of Suffolk Savings Bank and Groton School.

J. Linzee Weld is not only vice-chairman of Textron, incorporated, but also a director of Textron Southern, Inc. He was treasurer of the Suncook Mills for many years, including the period in which the Dumaines were interested in the property, before it was taken over by Textron. He is also a director of the Lonsdale Co., a Textron affiliate, and of the American Mutual Liability Insurance Co.

Another Amoskeag trustee, who was elected only a few years ago, is Ralph Lowell, the president of the Boston Safe Deposit & Trust Co. He is on the John Hancock board with Mr. Adams and is a member of the Suffolk Savings Bank corpo-

ration like Mr. Cotting. He is a director of the Boston Chamber of Commerce and chairman of the executive committee of the Harvard University Board of Overseers. Mr. Lowell is also vice-president and trustee of the Perkins Institute and Massachusetts School for the Blind; treasurer of the Pratt Diagnostic Hospital, and trustee of Massachusetts General Hospital, McLean Hospital, Museum of Fine Arts, Lowell Institute and Noble & Greenough School.

There was another Lowell on the Amoskeag board in the early years of the company. This was Francis C. Lowell, one of the pioneers in the development and operation of power looms at the Boston Manufacturing Company, Waltham, Mass. in 1813 and 1814, which was the first complete cotton mill in the United States. Mr. Lowell became associated with the Amoskeag in 1836 as one of the more than 50 new stockholders of the company in that year. He filled in as treasurer from April 18, 1836 to March 17, 1837, just before William Amosy started his long term in that office. Mr. Lowell was then elected president and served in that office to 1842.

Among the eight Amoskeag trustees who have continued on the board during this final period are Robert G. Stone, partner in the well known Boston banking firm of Hayden, Stone & Co., and F. J. Sulloway, director of the Sulloway Hosiery Mills, Inc., Franklin, N. H. Mr. Stone succeeded his father, Galen L. Stone, one of the founders of the investment house, at the death of the latter, who had been elected trustee in 1913, two years after the Amoskeag was changed from a corporate to a voluntary association. Mr. Stone is a director in the Atlantic Gulf & West Indies Co. and of the Mathieson Chemical Co. Mr. Sulloway is the son of the late Alvah W. Sulloway, founder of the mills in New Hampshire, and succeeded him on the Amoskeag board. He has been prominent in New Hampshire politics for the past ten years and since 1944 has been that state's representative on the Republican National Committee. He is president of the Union Trust Company of Concord and of the Sulloway Realty Co. He is a director of the First National Bank of Concord.

